

ANNEXURE-I**//On the Letter Head of the Audit firm//****Particulars of the Firm:**

S.No.	Particulars	
1	Name of the Firm	
2	Date of Constitution	
3	Name of the Proprietor/ Partners of the Firm	
4	Name of the Contact Person along with the Contact No.	
5	Address of the Audit Firm along with the Contact No. & Details of Person of Contact	
6	Date of Certificate of Practice	
7	Year of Establishment	
8	No. of CA's exclusively associated with the firms (Full Time)	
9	No. of Partners exclusively associated with the firm (Full Time)	
10	No. of Professional Staff	
11	Certifications regarding DISA/CISA? If Yes, Copy may be enclosed	
12	Any Previous experience in conduct of Revenue Audit? If yes, Copy may be enclosed	
13	Taxation Services & Accounting Services, if any (List may be enclosed separately).	

- Copies to be enclosed

Additional Information:

- a) Copy of Constitution Certificate.
- b) Whether the firm is a member of any network of audit firms or any partner of the firm is a partner in any other audit firm? If yes, details thereof.
- c) Whether the firm has been debarred from taking up audit assignments by any regulator/Government agency? If yes, details thereof.
- d) Details of disciplinary proceedings etc. against firm by any Financial Regulator/ Government agency during last three years, both closed and pending.

Declaration:

The firm complies with all eligibility norms prescribed by RBI regarding appointment of Statutory Auditor of Co-operative Banks. It is certified that neither I nor any of our partners/ members of my/ their families (family will include besides spouse, only children, parents, brothers, sisters or any of them who are wholly or mainly dependent on the Chartered Accountants) or the firm/ company in which I am/ they are partners/ directors have been declared as wilful defaulter by any bank/financial institution.

It is confirmed that the information provided above is true and correct.

Signature of the Authorized Official/Partner
(Name of the Authorized Official/Partner)
Date:

ANNEXURE-II**Address of Bank Head Office and Branches:**

S.No	Name of the Branch	Address
1	Head Office	NTR Sahakara Bhavan, #27-29-28, Governorpet, Near HELP Hospital, Vijayawada-520002
2	Tirupati	Plot no:21, R.C Road, Tirupathi-517501
3	Governorpet	#29-2-50 & 29-2-50/1, Rama Mandiram Street, Near Old Andhra Hospital, Governorpet, Vijayawada - 520002
4	Vijayawada Main Branch	NTR Sahakara Bhavan, #27-29-28, Governorpet, Near HELP Hospital, Vijayawada-520002
5	Brundavan Gardens	Door No:1-2-55, JKC College road, Opp. KLP School, JKC Nagar, GUNTUR Dist,522006.
6	Gannavaram	Door NO:9-121, Rai Nagar, Gannavaram, Krishna Dist-521101
7	Kaleswara Rao Market	Door NO:9-3-3, Brahmin Veedhi, Kothapet, Vijayawada-520013
8	Ramavarappadu	Door no:6-121, SER Centre, Prasadampadu, Ramavarappadu post, Vijayawada-521108
9	Gollapudi	Door no:23-3,Sai puram colony, Gollapudi, Vijayawada rural, krishna dist-521225
10	Venugopala Nagar	D.No. 26-46-38, Venugopala Nagar, NGO Colony, Guntur, Guntur District-522004
11	Rayapudi	D.No.3-34, Adjacent to Rayapudi PACS, Amaravati Road, Rayapudi Village, Rayapudi PO, Tulluru Manadal, Guntur District - 522237
12	Kanuru	Sai Plaza Door No.11-46/1, Opp. Pinnamaneni Teachers Colony, Near Pantakaluva, Kanuru Main Road, Vijayawada - 520 007, Krishna District
13	Currency Nagar	H.No.48-19-5/1, Sri Rama Chandra Nagar Road, Bank Colony, Currency Nagar, Vijayawada, Krishna District-520008
14	Mangalagiri	Flat No.C-2, Ground floor Deepika Residency, By Pass Road, Mangalagiri, Guntur District-522503
15	Mogalrajpuram	D.No. 32-14-5A, Opp Sivalayam, Mogalrajpuram, Vijayawada, Krishna District-520010

16	Chenchupeta	Chenchupet, Tenali Municipality,1st ward, 1st block, TS No:146/4C, Plot NO MIG A-82, Chenchupet, Tenali, Guntur District - 522202
17	CTI	Sahakara Bhavan, #3-4-447&448, Barkathpura, Hyderabad 500027
18	AT Agraharam	D.No 26-19-122/A, Nitya Nivas, Main Road, A.T. Agraharam, Guntur, Guntur District - 522 004
19	Hanuman Junction	D.No.18-194, Kethineedi Complex, Near Railway Flyover, Nuziveedu Road, Bapulapadu, Hanuman Junciton, Krishna Dist. -521105
20	Challapalli	D.No.#14-3, Big Apple Complex, Besides police station, Challapalli-521126, Krishna District



SCOPE OF WORK

Purpose:

The Purpose of Revenue Audit is to audit the items governing income and expenditure and it is conducted with a view to verify the accuracy, relevance of expenditure incurred and income earned according to the applicable circulars and Policies.

The audit focuses on revenue items which are affected in Bank's financial statements such as Balance sheet and profit and loss etc., Also the Auditor shall go through concurrent audit reports for detailed validation.

Scope:

Income Items: Auditor shall calculate received and receivable amounts from all Income heads separately and ensure that these amounts are recovered appropriately and verify the correctness of the ROI.

a) Interest on Loans and Advances:

- i) Verify whether the interest rates are marked correctly in the CBS from the date of creation of account (Loans and deposits) as prescribed by the Bank from time to time.
- ii) Verify the Interest received on Loans and Advances which are sanctioned from Head Office and Branches (including staff loans).
- iii) Verify whether the interest is calculated and charged correctly in the CBS as per the applicable policies and circulars.
- iv) In case of revision of interest rates during the year or as per review sanction letter, verify whether the revised interest rate is applied in the system from relevant date of applicability.
- v) Check whether interest has been charged as per adhoc/special sanction letter.
- vi) Verify the correctness of classification of Accounts product wise and interest wise.
- vii) Verify Recovery of additional interest as per sanction letter in case of adhoc cash credit/ overdraft limits sanctioned from time to time.
- viii) Verify whether Interest applied on Depositor Loans is calculated based on the highest ROI given on Fixed Deposit, if multiple Fixed Deposits are pledged.

- ix) Verify whether the Instalments are overdue in case of term loans to ensure penal interest prescribed by the Bank from time to time is being applied to such loan accounts or not.
- x) Verify whether the Loan Outstanding exceeds the drawing power.
- xi) Verify whether there is delay in submission of stock statement in case of loans with stock statements as collateral to arrive correct drawing power.
- xii) Verify whether there is non-compliance of terms and conditions stipulated in sanction letter especially w.r.t. processing fee, penal clauses, etc.
- xiii) Floating rate of Interests on loans are correctly charged by CBS or not.
- xiv) Verify whether the concessions given to the borrower in the rate of interest on loans. Whenever there is a revision of rates, the impact thereof on the concessions.
- xv) Verify whether interest on NPA accounts is recognized only on cash basis.

b) Penal Interest:

- i) Verify whether penal charges @ 2% is correctly charged and recovered from the customers on overdue portions.
- ii) Verify whether penal charges are being collected on non-renewal of the credit facilities.
- iii) Verify the calculation of penal interest charged by the system.
- iv) Verify the receipt statement of stock & book debts and entry of the same in the system. In case of receipts after certain period as mentioned in the policies, penal interest @ 2% to be charged from 1st of the month till the date of receipt of the statements.
- v) Verify Penal Interest charged on account of non-renewal of credit facilities.

c) NPA Flagging:

- i) Proper flagging of accounts as NPA and thereby correct reversals of interest amounts in INCA account.
- ii) Interest to be recognized as income only on realizable basis. Verification of correct calculation and recovery of interest.
- iii) Penal Interest correctly calculated and charged.

d) Arbitration fee, legal fee and any other charges w.r.t notices:

- i) Identify the accounts which have been defaulted and verify that all outstanding charges, interest outstanding are adjusted against such recoveries, then only principal amount of loan is adjusted.
- ii) Verify whether the amounts incurred towards the notices sent to borrowers has been recovered from the borrower.
- iii) Verify whether amount incurred towards filing of EP has been recovered from the borrower.
- iv) Verify all the recoveries in case of NPA accounts are adjusted as per the Bye Law No: 13 (H), Appropriation of repayments.

e) Processing charges:

- i) Verify whether Processing charges were collected as per the sanction terms, Bank's internal guidelines for all the loans sanctioned during the audit period.
- ii) In case of special sanction, verify processing charges are collected as per sanction guidelines.

f) Renewal Charges:

- i) Verify all the CC and SOD loans renewed during the audit period and verify whether renewal charges are collected as and when required.
- ii) These charges should be as per the Bank's guidelines and also as per individual sanction terms and conditions.

g) Nominal Membership and Admission Fee:

- i) Verify whether Nominal Membership and Admission Fee are being collected from the borrower.

h) Minimum Balance Charges:

- i) Verify some account on random basis that these charges are properly debited in accounts as per applicable circulars if account balance falls below minimum.

i) Ledger Folio Charges

- i) These charges are to be charged to current accounts and cash credit accounts on basis of per ledger folio, verify whether these charges are debited in the CBS as per circular.

j) Commission Charges

- i) Bank Guarantee commission charges shall be collected as per the applicable charges for the period of Bank Guarantee as well as claim period if any specified in the Bank Guarantee policy/guidelines.
- ii) General and Life insurance commission
- iii) E-stamping commission
- iv) Social Security Schemes viz. PMJJBY, APY etc.

k) Commitment Charges:

- i) Generally, these charges are levied on Education Loans.
- ii) Verify whether the charges are collected as per Bank's guidelines.

l) CGTMSE Guarantee Fee:

- i) Verify whether CGTMSE Guarantee Fee are being collected from the borrower, wherever applicable.

m) Service Charges

- i) Service Charges includes Incidental charges, closure of accounts, MICR cheques, recording of stop payment instructions, ECS facility, Banker's cheque, NEFT & RTGS charges, issuance of Debit card, duplicate passbook etc.,
- ii) Verify whether service charges are being collected as per the service charges circular issued by the Bank from time to time.

n) Locker rent Charges

- i) Verify the charges have been debited from the locker holder SB Accounts / through direct cash for the year as per the policy.
- ii) Verify the Position of outstanding locker rent.

o) Income from investments activities:

- i) Verify the Interest collected and to be received from the investments activities such as investing in Government securities, Debentures, short term and long-term deposits, call money, mutual funds etc. are being received periodically.

p) Any Other Income:

- i) Verify any Other income received in the P&L Account.
- ii) Verify whether there are any debits in income accounts without sanctions from the appropriate authority.
- iii) Any other income loss to the Bank.

Expenditure Items: Auditor shall verify the expenditure incurred on each head separately and ensure that these amounts are remitted to the respective entities.

a) Interest Paid on deposits:

- i) Verify whether interest portion incurred on the Bank deposits such as savings deposits, term deposits has been remitted to the depositor at certain intervals as per respective deposit scheme of the Bank.
- ii) Verify remittance of amounts is as per the policy guidelines in case of deceased depositors/ premature deposits.
- iii) Verify applicable penalty and reduced rate of interest has been charged correctly in case of premature repayment of deposits.
- iv) Verify whether the matured deposits attract the Rate of Interest as applicable to saving account.
- v) Verify Rate of Interest is applied in the CBS from time to time upon revision of Interest rates.

b) Interest paid on borrowings:

- i) Verify the interest portion that has to be paid on Bank borrowings such as borrowings from NABARD, NCDC and other institutions.
- ii) Verify that the interest part is being paid at the rates and intervals as per agreement between the Bank and lending institutions.
- iii) Verify that the revised rates are properly applied in the CBS.
- iv) Verify interest application in the CBS and ensure that the interest application is as per policy guidelines.

c) Travelling Allowance/ Dearness Allowances paid to staff:

- i) Verify the bills produced by the employee and total expenditure incurred. Ensure reimbursement of the same to the employee concerned is as per the eligibility of that employee.

d) Procurement activities:

- i) Procurement include expenditure incurred from General Administration Department (GAD) and Information Technology Department (ITD) and other concerned departments for purchasing items such as desktops, laptops, printers, locker cabinets, ATMs etc.
- ii) Verify the agreements between the parties and calculate the amount incurred towards purchasing the items required.
- iii) Ensure that the same amount is remitted to the seller.

e) Remuneration to Outsourcing employees (APCOS):

- i) Verify the remuneration paid to the outsourcing employees who have been appointed through third party.
- ii) Verify the amounts are being remitted as per agreement between the parties.

f) Expenditure on Debit cards, charges paid to NPCI/ UPI remittances/ Cheque clearing charges and other such related expenditure:

- i) It includes expenditure incurred towards printing of Debit cards, card transactions etc.
- ii) Verify amounts paid to NPCI.
- iii) Verify expenditure incurred for UPI remittances.
- iv) Verify expenditure incurred towards cheque clearing.
- v) Verify whether total expenditure incurred towards above mentioned items has been remitted as per the terms and conditions of the agreement.

g) Rent paid on assets/premises leased by the Bank:

- i) It includes branch premises for which the bank is paying rent and any other related assets.
- ii) Verify that the bank is paying the amounts regularly as per the agreement in force.

h) Tax:

- i) It refers to the tax (CGST, SGST and IGST) payable by the Bank to the authorities.
- ii) Verify the amounts to be payable to the authorities and ensure the same has been remitted at regular intervals as per rules.
- iii) Verify whether GST expenditure booked correctly for all the eligible items and claimed ITC properly.

i) Miscellaneous Expenditure:

- i) It refers to the expenditure incurred towards printing requirements, purchase of stationary items, Entertainment bills, telephone bills, newspaper bills and other such items.
- ii) It also includes donations to other cooperative societies as per policy guidelines.

- iii) Auditor shall verify the amounts incurred towards the same and shall ensure remittance of the amounts to those concerned as the bills produced.

j) Insurance:

- i) It refers to the insurance amount that the bank is paying towards the properties/assets, staff and any insurance packages taken for the benefit of the Bank and its employees.
- ii) Verify the amounts to be paid and ensure the same are remitted to the insurers as per the policy and agreement.

k) Sitting fee:

- i) It refers to the fee paid to the Bank Person- in- charge on visits to the Bank.
- ii) It also includes fee being paid to the Directors who are members of the various committees in the Bank.
- iii) Calculate the total amounts to be paid and ensure that the amounts have been remitted.

- l)** Calculate the Honorarium which shall be paid to the members and ensure payment of the same.

- m)** Verify the expenditure incurred towards trainings to employees, recruitment, promotions etc. Ensure remittance of the same.

- n)** Verify the expenditure incurred towards payment of fee to auditors, legal advisors, etc. Ensure remittance of the amount.

o) Capital Assets:

- i) All Capital Assets purchased are as per Standard Operational Procedure.
- ii) Verify whether the payments made to service vendors, as per the agreements.
- iii) Assessment methodology adopted in procurement/purchase of capital Assets.

- p)** Verify Revenue Leakage in expenses incurred for operational and administration purposes.

- q)** Reconciliations of income and expenditure within the Bank as well as external organizations are done on a timely basis to ensure no revenue leakage.

- r)** Verify Recovery of charges for services rendered for ATM/IMPS/POS (ecommerce transactions).

- s)** Any other Expenditure incurred by the Bank shall be audited by the Auditor.

//On the letter Head of the Audit firm//

**QUOTATION FOR CONDUCTING REVENUE AUDIT OF APCOB FOR THE
FY 2024-25 UPTO Q3)**

To
The Chief General Manager
Inspection and Audit Department (IAD)
The A P State Co-operative Bank Ltd.,
Head Office, Governorpet,
Vijayawada – 520002.

Sir/Madam,

Sub: Name of the Audit Firm – Submission of Quotation for conducting
Revenue Audit of APCOB for the FY 2024-25 (Upto Q3) – Reg.

We herewith submit the Quotation for conducting Revenue Audit of APCOB
(HO, CTI & 18 Branches) for the FY 2024-25 (Upto Q3).

The Quoted amount is (Basic amount) Rs. _____

GST Rs. _____

Total quotation amount (incl of all taxes) Rs. _____

I/We further declare that the quoted amount submitted by me/us is the final
amount (incl of Taxes). In case of any deviation is found, the Bank may take necessary
action, including Blacklisting of the firms/members, as it may deem fit.

Signature of the Authorized Official/Partner
(Name of the Authorized Official/Partner)

Date: