



THE NAINITAL BANK LIMITED

[Registered Office: G.B. Pant Road, Nainital, Uttarakhand-263001]
CIN No. U65923UR1922PLC000234, website: www.nainitalbank.co.in
e-mail ID: cs@nainitalbank.co.in, Phone: 05942-233739

Advertisement No. 96/HO/CS/0001

Date: 16.04.2018

Sub: Inviting applications for Appointment of Practicing Company Secretary Firm for carrying out Secretarial Audit Functions in The Nainital Bank Limited.

The Nainital Bank Limited is an Old Generation Private Sector bank incorporated under Companies Act, 1913. The Nainital bank Limited is an unlisted company/bank and Bank of Baroda holds a majority stake in the Bank.

The Nainital Bank Limited intends to appoint a Practicing Company Secretary Firm for conducting Secretarial Audit functions in the bank.

1. Scope of Work:

The illustrative (but not exhaustive) Scope of Work under Secretarial Audit given in **Annexure-I** for understanding and ready reference.

2. Eligibility criteria for submission of Application:

- a) The Practicing Company Secretaries (PCS) firm should be registered for a minimum period of 5 Years as per records of Institute of Company Secretaries of India (ICSI).
- b) Practicing Company Secretary Firm should have Office based in Uttarakhand/Delhi & NCR/Uttar Pradesh as per records of Institute of Company Secretaries of India (ICSI).
- c) The Practicing Company Secretary Firm should have adequate number of assistants/trainees for the purposes of Audit.
- d) Practicing Company Secretary Firm should not have been debarred/disqualified/black listed by any regulator/ statutory body or Government entity or any International/National agency for corrupt or fraudulent practices.

Note - Documentary evidence(s) in support of above is required to be submitted. Applications without the required documentary evidence(s) shall be ignored for evaluation.

3. Terms and Conditions:

- a) Conduct of Secretarial Audit: Audit shall be conducted/carried out in time bound manner as per the Companies Act, 2013 and rules made thereunder, as time being the essence of the contract, it is expected that the Secretarial Audit Report should be submitted at the earliest as per the format prescribed under rule No.9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- b) The bank reserves the right to accept/reject any or all the offers without assigning any reason whatsoever therefore.
- c) Overwriting/correction/erase and/or use of white ink should be avoided in the Offer. However, if any overwriting/correction/erase is inevitable, the same should be authenticated with the signature & seal of authorized person of applicant Firm.
- d) Documentary evidence(s) in respect of all the information above by the applicant Firm(s) must be furnished along with the Application.
- e) All the pages of the Application document shall have to be signed by the applicant Firm(s) with the Firm's seal and documents submitted along-with the offer shall also have to be authenticated by the authorized signatory of the applicant Firm(s) with the Firm's seal.
- f) The Application should be submitted strictly as per the terms & conditions laid down in the document.
- g) The Offer in the Prescribed Format at **Annexure-II**, is to be submitted in physical form to the following address:

Company Secretary

The Nainital Bank Limited

7 Oaks Building, Mallital

Nainital-263001 (Contact - +91 94583 56800, email-id cs@nainitalbank.co.in)

- h) The sealed application should be submitted in the office of above mentioned up to April 30, 2018. The application must be sealed and super-scribed with "Application for Appointment of Secretarial Auditor". The Name & Address of the Applicant Firm must also be mentioned on the envelope. Offers submitted in any other form shall not be considered.
- i) The bank reserves the right to accept or reject any or all responses and to request additional

submissions or clarification from one or more applicant(s) at any stage or to cancel the process entirely at its sole discretion without assigning any reason whatsoever.

- j) The last date for receipt of the application is April 30, 2018 at the address mentioned above. Applications received after this date shall not be considered.

4. Compliances / Declarations /Certificates by Firm(s) on appointment:

- a) The PCS Firm(s) shall have to comply with and furnish declarations and certificates as required under Statutory/Company rules, upon appointment as PCS Firm(s).
- b) The PCS Firm shall not sub-contract the secretarial audit work.
- c) The secretarial audit team will work in strict confidence and will ensure that the data, statement and any other information in respect of the operation of the location/work center/company/bank is dealt with strict confidentiality and secrecy.
- d) No partner of the PCS Firm should be related to either Managing Director or any Whole Time Directors or Part Time Directors of the Company within the meaning of the Companies Act, 2013.
- e) Neither the PCS Firm nor its partner(s) or associates should have any interest in the business of the bank.
- f) The Secretarial Auditor(s) will be required to issue and submit certificate of independence and arm's length relationship.
- g) PCS Firm shall have prime responsibility to ensure that the maximum number of audit limits specified under Companies Act, 2013 are not violated.
- h) The PCS Firm shall be free from any disqualification under Companies Act, 2013.

5. Debarring Provisions:

The Audit Firm will be debarred from getting, in future, the Secretarial Audit of The Nainital Bank Limited:

- a) If the PCS Firm obtains the appointment on the basis of false information /misstatement.
- b) If the PCS Firm does not take up audit in terms of appointment letter.
- c) If the PCS Firm fails to maintain/honour confidentiality and secrecy of the bank's data, statement and any other information.
- d) If the PCS Firm fails to comply with any conditions as laid down in Point No. 4.

6. Tenure & Fees:

The Audit Firm shall be appointed for a period of 3 years subject to review by the bank annually and compliance of all above conditions each year. The decision of the bank in relation to the annual review shall be final. The fees quoted by the firm in **Annexure-II** shall be for Financial Year 2017-18 and any enhancement in fees for the rest of the tenure shall be based on mutual discussions subject to a cap of 8 percent for each year.

7. Evaluation Mechanism:

- 1. Application will be evaluated by a Committee of Experts (the "Committee") appointed by The Nainital Bank Limited.
- 2. The Nainital Bank Limited has the right to appoint any individual/organization as an expert member of this committee as long as the particular person does not have any conflict of interest in the entire process.
- 3. The Nainital Bank Limited has the right to share the contents of the applications with the experts or consultants appointed for the purpose of evaluation of the applications, as the case may be.

Criteria for awarding marks –

| SN | Parameter | Max Marks | Marking system |
|----|--|-----------|--|
| 1. | Total experience of the firm and the partners. | 60 | 40 Marks for minimum 10 years |
| 2. | Adequacy of manpower: No. of partners, full time Professional Staff and trainees. | 10 | Partners & Associates (as on 31.03.18) |
| 3. | Experience/Knowledge in banking and other relevant fields. | 20 | As may be evaluated by the Committee |
| 4. | Past experience of Secretarial Audit | 10 | As may be evaluated by the Committee |
| | Total | 100 | |

Score will be calculated for all technically qualified Firms using the following formula:

$$S = (T/T \text{ High} \times 80) + (C \text{ Low}/C \times 20)$$

Where:

S = Score of the Firm

T = Technical score of the Firm

T High = Highest Technical score among the Firms

C = Quote as provided by the Firm

C Low = Lowest Quote of C among the Firms

The Firm securing the highest score becomes the successful Firm

For example – There are three Applicants A, B and C.

Technical score will be arrived at treating the marks of the Applicant scoring the highest marks (A) in Technical evaluation as 100. Technical score for other Applicants (B, C, etc.) will be computed using the formula Marks of B / Marks of highest scorer A*100.

Similarly Commercial Score of all technically cleared Applicants will be arrived at taking the cost quoted by L1 Applicant i.e., the lowest quote from all technically qualified Applicants (say C) as 100. Marks for other Applicants will be calculated using the formula Commercial Score = Cost of L1 Applicant/ Cost quoted by Applicant * 100.

A “Combined score” will be arrived at, taking into account both marks scored through Technical evaluation and the nominal commercial quotes with a weightage of 80% for Technical Evaluation and 20% for the Financial Quotes as described below.

The combined score is arrived at by adding Technical Score and Commercial Score. The successful Applicant will be the one who has highest Combined Score.

| SN. | Applicant | Applicant Technical Evaluation marks (T) | Nominal Bid Price in INR(C) | Technical Score | Commercial Score | Combined Score (out of 100) |
|-----|-----------|--|-----------------------------|---------------------------|---------------------------|-----------------------------|
| 1 | A | 95 | 20 | $95/95 \times 80 = 80.00$ | $10/20 \times 20 = 10.00$ | $80.00 + 10.00 = 90.00$ |
| 2 | B | 85 | 15 | $85/95 \times 80 = 71.58$ | $10/15 \times 20 = 13.33$ | $71.58 + 13.33 = 84.91$ |
| 3 | C | 90 | 10 | $90/95 \times 80 = 75.79$ | $10/10 \times 20 = 20.00$ | $75.79 + 20.00 = 95.79$ |

In the above example Applicant C with highest score becomes successful.

Note: The decision of the Committee shall be treated as final.

Scope of Work - Secretarial Audit

The broad scope of Secretarial Audit includes verification of the compliances under the following enactment, rules, regulations and guidelines:-

1. The Companies Act, 2013 and the rules made thereafter;
2. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
5. The applicable provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
6. Secretarial Standards issued by "The Institute of Company Secretaries of India."
7. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
8. The Reserve Bank of India Act, 1934 to the extent applicable on NBFC, rule and regulation made thereunder;
9. Any other laws/regulations as may be applicable specifically to the company including Prevention of Money laundering Act (PMLA), RBI Act and regulations made thereunder and KYC norms as per RBI prudential Norms etc.
10. Any other Act/laws/regulations as may be applicable or notified from time to time by the Competent Authority.
11. Any other specific activity as may be advised by the Audit Committee/Board/Regulator(s)/ Government/Management of The Nainital bank Limited from time to time.

(On letter head of Practicing Company Secretary Firm)

Annexure II

APPLICATION FOR SECRETARIAL AUDITOR

To
Company Secretary
The Nainital Bank Limited
7 Oaks Building, Mallital
Nainital-263001

1. Eligibility Criteria

| S.N. | Eligibility Criteria | Status along with documentary proof |
|-------------|---|--|
| 1. | The Practicing Company Secretaries firm should be registered for a minimum period of 5 Years for as per records of Institute of Company Secretaries of India (ICSI). | |
| 2. | Practicing Company Secretary Firm should have Office based in Uttarakhand/Delhi & NCR/Uttar Pradesh as per records of Institute of Company Secretaries of India (ICSI). | |
| 3. | The Practicing Company Secretary Firm should have adequate number of assistants/trainees for the purposes of Audit. | |
| 4. | Practicing Company Secretary Firm should not have been debarred/disqualified/black listed by any regulator/ statutory body or Government entity or any International/National agency for corrupt or fraudulent practices. | |

2. Quote for Secretarial Audit

| Description | Amount (Rs.) |
|---|---------------------|
| Professional Fees in figures and word for the Financial Year 2017-18 (exclusive of out of pocket expenses etc.) Fee is exclusive of GST etc. | |

Signature -

Name & Designation of the Authorized Signatory -

Membership Number Stamp of the PCS Firm -

Place:

Date: