

## **Illustrative scope of work for audit of receipts and payments of Lanco Infratech Limited for the period from 27 August 2018 to 31 March 2019:**

### **Background:**

Lanco Infratech Limited ("Company" / "Corporate Debtor") has been undergoing liquidation vide an order passed by the NCLT, Hyderabad Bench dated 27 August 2018 ("Liquidation Commencement Date"). In accordance with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, as amended from time to time, the Liquidator shall file an audited accounts of the liquidator's receipts and payments for the financial year (pertaining to the Corporate Debtor) within 15 days from the completion of the financial year.

### **Scope of Work**

The below scope of work is illustrative and is designed to help the auditor to understand the requirement as per the Code and design their scope of work appropriate for the purpose.

### **Receipts:**

1. Determine the source and nature of receipt for the period.
2. Verify the source document / communications / contract papers, etc. in regard to the receipt and to ensure the accuracy and occurrence of the transaction.
3. Reconcile the receipt with the bank statements.
4. Any differences must be analyzed and appropriate reasons must be documented for the same.

### **Payments:**

1. Trace all the payments in the bank statements for the period to ensure the accuracy and occurrence of the transaction.
2. Understand the nature of the payment made, and check that the necessary approvals for the same have been taken.
3. Document the same with date the transaction has occurred with its respective amount, verified from the bank statement/ bank advice.
4. Verify the engagement contracts, requisite PO/SOs, approval notes, etc. for all the transactions and ensure that the transactions are as per the parameters mentioned.
5. Verify the computation and correctness of TDS, GST and other deductible tax liabilities from the respective payments.
6. Any differences must be analyzed and appropriate reasons must be documented for the same.

## Invitation to Bid

Chartered Accountant firms, duly incorporated in India, are invited to submit sealed proposal including financial bids for the aforementioned scope of work. The bidding Chartered Accountant firm should meet the following eligibility criteria:

The bidding firm should have

- (i) should have minimum 10 years of experience post registration of the firm with the ICAI,
- (ii) should have minimum 3 working Partners in the Firm,
- (iii) should have at least 2 working Partners having minimum 10 years of experience post their holding the certificate of practice issued by the ICAI,
- (iv) should have a local office in Delhi NCR headed by a working Partner,
- (v) shall deploy only local team members for this engagement.

The proposal should comprise the following:

1. Profile of the bidding firm and its partners
2. Profile of the designated Partner and team for the audit
3. A self-certified confirmation signed by the Managing Partner mentioning of meeting the eligibility criteria.
4. Financial bid – to be submitted separately in a sealed envelope

Financial bid should be a lump sum fee excluding taxes and out of pocket expenses. Out of pocket expenses will be reimbursed at actuals and capped at 10% of the fee. Prior approval from Liquidator / Liquidator's representative will be needed for any out of station travel.

Financial bids of only those firms which meet the eligibility criteria will be opened. The eligible firm quoting the lowest fee will be selected to conduct the audit.

A service contract will be signed with the selected firm.

Bids shall be submitted in original hard copy and as scan copy on or before March 12, 2019, 5 pm as follows:

Address

Deloitte Touche Tohmatsu India LLP  
7th Floor, Building 10, Tower B, DLF Cyber City Complex,  
DLF Phase-II, Gurgaon, Haryana, 122002, India

Email: [inlancoinftratechip@deloitte.com](mailto:inlancoinftratechip@deloitte.com); [snshah@deloitte.com](mailto:snshah@deloitte.com)

**Timeline for audit – the selected auditor shall submit the audited accounts and audit report by April 5, 2019.**