THE KERALA STATE FINANCIAL ENTERPRISES LIMITED

(A Government of Kerala Undertaking)

NOTICE INVITING EXPRESSION OF INTEREST (EOI)

1. Invitation

The Kerala State Financial Enterprises Limited (KSFE Ltd.), a Government of Kerala undertaking engaged primarily in chitty business and other financial services, invites Expressions of Interest (EOI) from eligible firms of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) for undertaking Internal Audit of the Company's branches and other designated offices/units, as may be specified by the Company.

The objective of the engagement is to strengthen the Company's internal control framework, assess compliance with applicable statutory and regulatory requirements, evaluate operational and financial controls, identify risks and control deficiencies and recommend measures for improving the efficiency, effectiveness and reliability of the Company's operations.

Interested and eligible firms may submit their EOI along with the requisite documents and particulars in accordance with the terms specified below.

2. Objective of the Engagement

The Internal Audit assignment is intended to provide an independent and systematic assessment of the adequacy and effectiveness of the Company's risk management, internal control and governance processes. The selected firms shall undertake audit in accordance with the scope, methodology, audit programme and reporting requirements prescribed by KSFE Ltd.

The engagement shall be risk-based with due consideration to the nature, volume and complexity of the Company's financial and operational activities.

3. Scope of Internal Audit & Audit methodology

The audit methodology should ensure risk-based coverage by adopting appropriate audit procedures (including random verification), reviewing previous observations, reporting in appropriate formats and escalation of serious deviations/ irregularities, if any. The scope of the assignment shall include, but shall not necessarily be limited to, the following:

1. Financial and accounting controls: Verification of accounting transactions, financial records, reconciliations, balances, supporting documents and compliance with the Company's accounting policies and prescribed procedures.

2. Chitty operations: Examination of controls relating to the conduct of chitties, collections, remittances, prize money disbursement, subscriber accounts, defaults, security documentation and settlement of chitty liabilities.

3. Loans and advances: Review of loan sanction and disbursement procedures, adherence to delegated powers, documentation, security creation and verification, repayment monitoring, overdue accounts and recovery measures.

4. Cash and bank transactions: Verification of cash balances, bank accounts, bank reconciliations, remittances, deposits, withdrawals and other treasury-related transactions, including compliance with prescribed authorisation procedures.

5. Fund transfer: Examination of transactions related to transfer in and out of fund in accordance with the norms and other relevant controls specified by Company.

6. Revenue and expenditure: Verification of income recognition, interest and other charges, expenditure, payments and compliance with financial delegation and approval procedures.

7. Statutory and regulatory compliance: Review of compliance with applicable laws, rules, regulations, statutory obligations, Government directions, Board decisions and internal circulars and instructions, to the extent applicable.

8. Internal controls and operational procedures: Assessment of segregation of duties, access controls, authorisation mechanisms, record maintenance and adherence to prescribed operating procedures.

9. Information systems and data controls: Review of relevant application controls, user access, transaction processing, system-generated reports, audit trails and controls over the integrity and security of financial and operational data.

10. Fraud and irregularity indicators: Identification and reporting of material irregularities, control weaknesses, suspected fraud, misappropriation or other significant deviations noticed during the audit, together with the supporting particulars available.

11. Compliance with earlier audit observations: Verification of the action taken on previous internal audit observations, identification of recurring deficiencies and assessment of the adequacy of corrective measures.

12. Risk assessment and recommendations: Identification of significant operational, financial, compliance and technology-related risks and recommendations for strengthening internal controls and improving operational efficiency.

The detailed scope, audit coverage, frequency, reporting formats, timelines and other deliverables shall be specified by KSFE Ltd. in the terms of reference or subsequent engagement document.

4. Eligibility Criteria

Firms applying for the assignment shall satisfy the following eligibility conditions:

a. The applicant shall be a partnership firm or other eligible firm of Chartered Accountants duly registered with ICAI and possessing a valid Firm Registration Number (FRN).

b. The firm shall have been in continuous professional practice for at least two years as on the date of publication of the EOI.

c. The firm shall have adequate experience in conducting internal and statutory audit, bank audit, financial audit or similar assignments involving financial institutions, non-banking financial companies, public sector undertakings, Government companies or other organisations.

d. The firm shall have adequate professional manpower and infrastructure to undertake the assignment within the prescribed timelines, including the ability to deploy suitably qualified and experienced Chartered Accountants and audit staff.

e. KSFE has the right to decide whether one firm will be appointed for the entire Company or multiple firms will be appointed for different regions or groups of branches or multiple firms will be appointed for the same region.

f. The firm and its partners shall not have been debarred, blacklisted or prohibited from undertaking audit assignments by ICAI, any statutory or regulatory authority, Government department, public sector undertaking or court, as applicable. The firm shall disclose any relevant pending disciplinary proceedings or restrictions.

g. The firm shall be independent of KSFE Ltd. and shall disclose any actual, potential or perceived conflict of interest that may affect the performance of the assignment. There should not be any conflict-of-interest issues including restrictions applicable to firms undertaking other audit or consultancy assignments for KSFE.

h. The firm shall not have any disqualification under applicable laws, professional standards or the specific eligibility conditions prescribed by KSFE Ltd.

i. The firm shall furnish an undertaking confirming the correctness of the information submitted and its willingness to comply with the conditions governing the assignment.

j. The firm shall have their Head Office/Branch office at any of the places where Regional Offices of KSFE situate. List of Regional Offices is furnished below.

Sl.No.	Name of Region	Location of RO	No. of Branches
1	Thiruvananthapuram Urban	Thiruvananthapuram	50
2	Thiruvananthapuram Rural	Attingal	42
3	Kollam Urban	Kollam	40
4	Kollam Rural	Kottarakkara	37
5	Pathanamthitta	Pathanamthitta	44
6	Alappuzha	Alappuzha	50
7	Kottayam	Kottayam	55
8	Kattappana	Kattappana	36
9	Ernakulam Urban	Ernakulam	41
10	Ernakulam Rural	Perumbavoor	34
11	Thrissur	Thrissur	56
12	Palakkad	Palakkad	36
13	Malappuram	Malappuram	43
14	Kozhikode Urban	Kozhikode	35
15	Kozhikode Rural	Thamarassery	31
16	Kannur	Kannur	53
		Total	**683**

5. Audit Coverage and Allocation

The audit assignment shall cover 683 branches under 16 Regions. The number of branches allotted to each firm and the geographical distribution of the assignments shall be decided by KSFE based on administrative requirements, the capacity of the firms and the approved allocation procedure. The audit shall be conducted on regional level. Approximately 31 to 56 branches are covered under one region. Generally one firm per region shall be assigned. KSFE has the right to decide whether one firm will be appointed for the entire Company or multiple firms will be appointed for different regions or groups of branches or multiple firms will be appointed for the same region. Audit of a branch is to completed within a maximum period of 7 working days and the audit for all branches under a region for a FY should be completed within a maximum period of 6 months from the date of issuance of sanction.

The empanelment or selection of a firm shall not confer an automatic right to audit any particular branch or Region. KSFE reserves the right to allocate, redistribute or modify assignments in accordance with the tender conditions and its operational requirements.

6. Professional Fees and Other Conditions

The approved audit fee shall be ₹20,000 (Rupees Twenty Thousand only) per branch**,** plus eligible out-of-pocket expenses, subject to the terms and conditions prescribed by KSFE including the applicable limits, supporting documents required and the procedure for reimbursement. Applicable taxes shall be dealt with in accordance with the relevant statutory provisions and the terms of the contract.

The EOI shall be treated as an initial expression of interest and shall not, by itself, constitute a financial bid or a commitment by KSFE Ltd. to award the assignment to any applicant. No fee

or other financial commitment shall be payable merely for submitting an EOI or participating in the shortlisting process.

7. Information and Documents to Be Submitted

The EOI shall be accompanied by the following documents and particulars:

1. Name and address of the firm, contact details and email ID.
2. Copy of the ICAI registration particulars and Firm Registration Number.
3. Details of constitution of the firm, date of establishment and particulars of partners.
4. Details of professional qualifications and relevant experience of partners and key personnel proposed for the assignment.
5. Details of experience in conducting internal audit and similar assignments, indicating the name of the organisation, nature of work, period of engagement and broad scope of services.
6. Details of assignments undertaken for Government companies, public sector undertakings, banks, financial institutions and other comparable organisations, wherever applicable.
7. Details of the firm's professional manpower and proposed audit team structure.
8. Details of any debarment, blacklisting, disciplinary proceedings or other matters relevant to eligibility, along with a declaration regarding independence and conflict of interest.
9. A declaration confirming that the information furnished is true and correct.
10. Any other documents or particulars specified in the EOI.

KSFE Ltd. may seek additional information, supporting documents or clarification from the applicant firms wherever considered necessary for assessing their eligibility and suitability.

8. Evaluation and Shortlisting

The EOIs received within the prescribed time shall be scrutinised with reference to the eligibility conditions and the information furnished by the applicant firms.

The evaluation may take into consideration:

- Relevant professional experience and expertise in internal audit and financial services.
- Experience in auditing large organisations, Government companies and public sector undertakings.
- Experience in audit of multi-branch financial institutions and operations involving high transaction volumes.
- Availability of qualified partners, Chartered Accountants and other suitably trained audit personnel.
- Capacity to deploy audit teams across the locations and complete the assignment within the prescribed timelines.
- Quality of previous assignments, where relevant and capable of verification.
- Compliance with the eligibility requirements and other conditions specified in the EOI.

KSFE Ltd. may constitute a committee for scrutiny and evaluation of the applications. The Company may seek presentations, clarifications or additional information from applicant firms, wherever considered necessary.

Submission of an EOI shall not confer any right to selection or appointment. Only firms found eligible and suitable shall be considered for shortlisting and further stages of the selection process, in accordance with the procedure approved by the competent authority.

9. Nature and Duration of the Assignment

The assignment shall be undertaken for a period of 6 months, subject to the terms of engagement and such extension or renewal as may be permitted by KSFE Ltd.

The selected firm or firms shall conduct the audit in accordance with the prescribed audit plan, coverage, schedule and reporting requirements. The Company may prescribe the number and composition of audit teams, allocation of locations and other operational requirements based on its assessment of audit risk and workload.

Selection under this EOI shall not, by itself, constitute a final appointment. The appointment shall be subject to the prescribed selection procedure, approval of the competent authority and execution of the applicable engagement terms.

10. Professional Responsibilities and Reporting

The selected firm shall:

a. Maintain professional independence, objectivity, confidentiality and due professional care throughout the assignment.

b. Conduct the audit in accordance with the approved scope, applicable professional standards and instructions issued by KSFE Ltd.

c. Maintain adequate working papers and supporting evidence for audit findings and conclusions.

d. Report material irregularities, suspected fraud, significant control deficiencies and other serious matters promptly to the designated authority, in accordance with the reporting protocol prescribed by the Company.

e. Submit branch wise independent audit reports within the stipulated timelines, clearly indicating the audit findings, supporting facts, applicable criteria, risk implications and recommendations.

f. Maintain confidentiality of all financial, operational, subscriber, employee and other information accessed during the assignment and use such information solely for the authorised purpose.

g. Cooperate with KSFE Ltd. in clarifying audit findings and presenting supporting documentation, as required.

h. Disclose any actual or potential conflict of interest arising during the assignment and comply with the Company's directions in this regard.

12. Submission of EOI

Interested firms shall submit their EOI together with the supporting documents, on or before the date and time specified below:

- Last date and time for submission : 16/11/2026
- Mode of submission : Sealed cover
- Address for submission : The Managing Director, KSFE Ltd. Head Office, Museum Road, Thrissur -680020
- Contact person/designation : The Dy. General Manager (IA&V)

- Email for clarification : iad@ksfe.com

Applications received after the stipulated deadline or not accompanied by the required information may be rejected, subject to the terms of the EOI.

13. General Conditions

1. KSFE Ltd. reserves the right to verify the particulars and documents furnished by the applicant firms.
2. Any material misrepresentation, suppression of relevant information or submission of false documents may result in rejection of the application or other appropriate action under applicable rules.
3. KSFE Ltd. reserves the right to seek clarifications, modify the schedule, amend the EOI conditions, shortlist suitable firms or cancel the process, in accordance with applicable rules and without being obliged to select any applicant.
4. The decision of the competent authority of KSFE Ltd. on matters relating to the EOI and shortlisting shall be final, subject to applicable law and the terms of the process.
5. All costs incurred by applicant firms in preparing and submitting the EOI shall be borne by the respective firms.
6. Submission of an EOI shall be deemed to constitute acceptance of the conditions specified therein.
7. Any further conditions relating to eligibility, selection, independence, audit coverage, confidentiality, reporting and performance may be prescribed by KSFE Ltd. in the subsequent tender or engagement document.

Interested parties may submit their Expression of Interest (EOI), along with a detailed profile of the firm containing the following particulars: Firm Registration Number (FRN), year of registration, names and membership numbers of partners, PAN, GSTIN, and the name, address, contact number and email address of the contact person. The submission shall be accompanied by copies of the Firm Registration Certificate, an undertaking confirming the correctness of the information furnished, and the mandatory declaration.

The EOI, together with the above documents, shall be submitted in a sealed cover superscribed **"EOI FOR INTERNAL AUDIT"**. Applicants shall also furnish the required information in the Google Form attached.

For The Kerala State Financial Enterprises Limited

MANAGING DIRECTOR

Date: 31/10/2026