



THE NEW INDIA ASSURANCE COMPANY LTD., BAHRAIN BRANCH

**TENDER PARTICULARS FOR SOURCING AND
APPOINTMENT OF STATUTORY AUDITOR**

FOR
**THE NEW INDIA ASSURANCE COMPANY LTD., BAHRAIN
BRANCH**
FOR THE YEARS
2025 TO 2027 [THREE YEARS]



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(A) INTRODUCTION

The provisions and directions outlined in Article (61) of the Central Bank of Bahrain & Financial Institutions Law of 2006 requires all the financial institutions to appoint qualified Auditors for its accounts audit for every financial year. In light of this, New India Assurance Company Ltd., Bahrain Branch (referred hitherto as “NIAB”) Bahrain Branch, through this process invites tenders from qualified and experienced Audit Firms operating in Bahrain for the financial years starting 2025 through and till 2027.

(B) BACKGROUND OF THE COMPANY

The New India Assurance Company Ltd., is the first composite insurance licensee in India, which was established in the year 1919. Presently NIA is the largest General Insurance Company in India with operations in 28 countries across the globe. The company was nationalized in the year 1973 as part of the Insurance Nationalization Drive by the then Central Government of India. Currently NIA is a publicly traded company with over 85% of the shares held by the Government of India in the name of the President of India.

NIAB started operating in the Kingdom of Bahrain in the year 1959 and operates in the Kingdom under an Appointed Representative business model. The renowned International Agencies Co. Ltd., Bahrain is NIAB’s Appointed Representative and the company has been associated with them since the inception in Bahrain.

There are three branches open to the public for the company in Bahrain. The Net Premium for the year 2023 stood at BHD 3.4 Million.

The operation in Bahrain is helmed by the Chief Operating Officer deputed on a fixed term by the Head Office of the company. The COO is supported by 25 staffs.

(C) TENDER INSTRUCTIONS

The tenderer must comply with the requirements of this Tender request. If any Tenderer fails to comply with the requirements of this Tender Document, the failure may be taken into account by NIAB when considering this or any subsequent Tender by the Tenderer and may result in the Tenderer being passed over.

(D) CONFIDENTIALITY

All material facts outlined in this document is for the sole purposes for the Tenderers to present an informed quote for the subject outsourcing. Thus the information provided herein is deemed confidential and all the Tenderers are expected to conform to confidentiality. Any breach of the terms of this clause shall deem the quotation null and void.



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(E) SUBMISSIONS OF QUOTATIONS

All quotations are to be relayed including the supporting documents electronically to:

COO, The New India Assurance Co. Ltd., Bahrain, email address: coo@newindiabahrain.com

(F) DEADLINE FOR SUBMISSIONS

All the quotations must be submitted at the latest by 5.00 PM, 09th December 2024.

(G) BID TERM

The validity period of the tender is 6 months from the last date of submission.

(H) TENDER EVALUATION & DELIBERATIONS

The Tenderer may have to attend an evaluation meeting at NIAB upon request.

(J) PRECONDITION FOR SELECTION AND APPOINTMENT

In accordance with the Article (61 A) of the CBB/Financial Institutions Law of 2006 and clause AA-1.1.1 of the CBB Rulebook Volume 3, the licensees are required to obtain the explicit approval of the Central Bank of Bahrain before appointing its Auditor. Thus collection of quotations or company's engagement in talks will be subject to final appointment approval by the Central Bank of Bahrain, Company's Head Office.

The Company shall have the right to remove the Auditor in case the Auditor's work is found inefficient or on other justifiable grounds.

Company reserves the right to withhold the payment of professional fees and impose penalty, if directed by its Board of Directors, in case the quarterly and annual reports are not submitted as per the statutory and regulatory requirements.

The Audit Firm should be registered as an audit firm in the Kingdom of Bahrain.

(K) SCOPE OF WORK

1. BAHRAIN REPORTING

All type of statutory audit and reporting requirements as per the regulations and directives of the Central Bank of Bahrain, Ministry of Industry, Commerce and Tourism, Ministry of Finance, National Bureau of Revenue, BIBF and/or any other authority as and when required during and for the engagement period. Financial Statements to be prepared based on IFRS 17 / IFRS 9 requirements. This shall also include the Agreed Upon Procedures Report on the Insurance Firm Return and Agreed Upon Procedures Report on the Financial Crime Module. Moreover, the actuarial peer review and their fees should be arranged by the statutory auditors. Please note that separate bids are being invited for India reporting (which is based on IFRS 4).



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(L) CONTRACT CONDITIONS

1. The contract will be for the provisions of appointment of the statutory auditor for the NIA Bahrain branches for three years, starting from 2025 to 2027. The appointment shall be subject to the approval of NIA head office and the Central Bank of Bahrain.
2. Clauses mentioned in Article 61 (D) shall be given due consideration to assess the skills, competence and the independent nature of the auditor. The nomination of the quotations shall be only pursuant to this evaluation.
3. Pursuant to clause AA – 1.5 of the CBB Volume 3 Rulebook, NIA Bahrain branch would not enter into any insurance contract(s) with the auditor including any sort of professional indemnity insurances.
4. No portions of the audit exercise must be sub contracted by the auditor without the knowledge of NIAB and without the explicit approval of the Central Bank of Bahrain.
5. The information contained in this tender document must be held in strict confidentiality by the tenderer at all times. The tenderer must conform to the provisions set out through Article (3) and (4) and any other relevant sections of the Bahrain Personal Data Protection Law.
6. Collusive tendering is strictly prohibited and any knowledge of the tenderer involved in such actions could render the proposal null and void. And the company shall resort to any available legal measures for indemnity of the damages caused by such actions.
7. NIAB shall retain the title of the contract and due care and entitlements shall be explicitly mentioned about the data, information, records that form part of the prudential records of NIAB.
8. NIAB, directly or through its internal auditor and the Central Bank of Bahrain shall have direct access to the auditor related to records and activities related to the audit function of NIAB.
9. The proposal must contain detailed Business/Service Continuity plan and any other alternative arrangements that the tenderers might have.
10. The proposal must explicitly state the conditions that NIAB shall have all the rights to terminate the contract at the event that the auditor (1) Undergo an ownership change (whether direct or indirect) that pose a potential conflict of interest. (2) Becomes insolvent, or (3) Goes into liquidation or administration, and (4) Gets known to have been exposed to any reputational risks. (5) NIAB retains the right to remove the Auditor in case the Auditor's work is found inefficient or on any other justifiable grounds.
11. NIAB reserves its right to withhold the payment of professional fees and impose penalty, if the BOD instructed, in case quarterly and annual reports are not submitted as per statutory and regulatory requirements.
12. All the reporting deadlines for the local CBB requirements shall be adhered to.



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(M) SUPPORTING INFORMATION REQUIRED

The proposal from the tenderer shall contain the following;

1. Details, professional qualifications of the engagement team;
2. Details of any censoring or disqualifications from engaging (by any competent bodies or the client themselves) in internal audit or external audit services to any given client;
3. Details of the active clientele;
4. All the relevant provisions that govern the outsourcing agreements as mentioned in the RM module of the Central Bank of Bahrain's Volume 3 Rulebook.
5. The details and professional qualifications of the actuarial peer reviewer.