

## Bid Corrigendum

GEM/2023/B/3716098-C3

Following terms and conditions supersede all existing "Buyer added Bid Specific Terms and conditions" given in the bid document or any previous corrigendum. Prospective bidders are advised to bid as per following Terms and Conditions:

### Buyer Added Bid Specific Additional Terms and Conditions

1. Text Clause(s)

Ref No.790-III/

/2023-24

Date :

### Additional Terms and Condition

**"Appointment of firm of Chartered Accountant or Cost Accountant as Internal Auditor for the Seamen's Provident Fund Organisation, Mumbai for a period of 2 years i.e. 2023-24 and 2024-25.**

1. The **SEAMEN'S PROVIDENT FUND ORGANISATION (SPFO)** invites bid on GeM portal comprising two separate proposals that include Technical Proposal and Financial Proposal from firms empanelled with Comptroller & Auditor General of India or The Institute of Chartered Accountants of India or The Institute of Cost Accountant of India (hereinafter called '**Bidder**') and having minimum three (3) years of experience in Internal Audit as per the scope of work mentioned hereafter.
2. The **SPFO** is an autonomous body under the **Ministry of Ports, Shipping and Waterways**, Government of India. The main objective of the organization is to provide for the institution of a Provident Fund for seamen as old age retirement benefit and to their family members in the event of death of seamen members.
3. The selected Internal Auditor will be required to carry out:-
  - Verification of cash books, Investment, Interest, all documents for accounting purpose.
  - Concurrent Audit of Investment made by the Portfolio Managers.
  - Advice SPFO on fair practices in financial and accounting matters as per Gol norms.
  - All other services defined at point no. 4

4. The detailed specification and scope of work is available. (please refer para - 9)
5. The rates quoted by the bidder shall be valid for 30 days for acceptance from the date of opening financial bid.
6. **SPFO** reserves the right to reject any or all tender or cancel/withdraw the tender without assigning any reason whatsoever and in such case no intending bidder shall have any claim arising out of such action.
7. Estimated cost of work is Rs.5,00,000/-.

**8. Detailed Information to the Bidder**

i. **Introduction**

The Seamen's Provident Fund Scheme, 1966), the first social security scheme for Indian Merchant Navy Seafarers, brought under statute by enactment of the Seamen's Provident Fund Act, 1966 (4 of 1966) was introduced retrospectively with effect from 1st July, 1964.

ii. **General Administration**

The Seamen's Provident Fund is vested in and administered by the Board of Trustees consisting of the Chairman and three representatives each of the Government, Employers and Employees. The Director General of Shipping is ex-officio Chairman of the Board of Trustees and the Commissioner is the Chief Executive Officer and the Secretary to the Board.

iii. **Salient Financial Features**

This is a contributory Provident Fund and the Employers are required to deposit the Provident Fund contributions recovered from the seamen employed by them along with their matching contributions to the Seamen's Provident Fund Organization within a month after the termination of each voyage. The prevailing rate of contribution is 12% of the basic wages; leave wages, fixed ship board allowance payable to the seamen. For delayed remittances of Provident Fund contributions, penal charges are levied. All monies belonging to the Fund are invested in securities as per the pattern of Investment notified by the Ministry of Finance, Government of India, from time to time.

As on 31/03/2023 there were **110329** Seafarer members of the Provident Fund Scheme. The total accumulation in Provident Fund accounts including Un-disbursed interest was Rs.2807.81 crore. The annual inflow of contributions received in 2022-23 was **Rs.244.99** crore and out flow by way of Final Withdrawal settlement and Non-Refundable Withdrawal had been Rs.86.43 crore. The total investment as on 31/03/2023 was Rs. 2843.44 crore.

9. **Scope of Work highlighting Outline of the Task to be carried out**

The scope of work of Internal Auditor will be:-

**a) For a period of next Two Financial years viz. 2023-24 & 2024-25 :-**

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1. Physical verification of investment on quarterly basis.
2. Verification of compliance with pattern of Investment prescribed by the Ministry of Finances, Government of India on annual basis.

3. Verification of compliance with investment norms and procedure on quarterly basis.
4. Concurrent Audit of investment done by Portfolio Manager.
5. Verification of receipts of interest investment wise on quarterly basis.
6. Verification of receipts Government Securities in CSGL (Constituent Subsidiary General Ledger) Account of Gilt Holder with RBI and other securities physical / D'mat form.
7. Verification of follow up for non receipt of interest/securities on quarterly basis.
8. Physical verification of all movable and immovable assets.
9. Full check on for documentation in respect of withdrawal and final settlement on death or retirement on quarterly basis.
10. Full check on compliance with rules and regulation on quarterly basis.
11. Verification of reconciliation of all Bank Accounts on monthly basis.
12. Full check on major expenses on quarterly basis and report on non compliance of delegation of power.
13. Reporting on major outstanding revenue item on quarterly basis.
14. Review of establishment matter / cases pertaining to the staff.
  15. Review of existing system and procedures manual as well as computerized.
  16. Review of accounting records and documents computerized accounting system.
  17. Review of Internal checks and control.
  18. Review of Accounting Policies.
  19. Review of Management information system.
  20. Monitoring of cash flow and fund flow for prompt investment.
  21. Advice on periodical investment and concurrence to specific investment proposal placed by Portfolio Manager.
  22. Compliance of statutory requirements such as tax deduction, filling of return with various authorities etc.
  23. Verification of accuracy and integrity of the financial records.
  24. Ensuing application of accrual/mercantile method of accounting for all types of financial transactions and authorization of expenditure as per delegation of power.
  25. Review of action taken on earlier audit queries.
  26. Issue of Audit Certificate for period audit carried out.
  27. To attend Audit Committee, Finance Sub-Committee and Board of Trustee meetings whenever called for.
  28. Verification of Receipt of PF as per record of Directorate General of Shipping.
  29. Verification of Shipping companies, who are not depositing PF in SPFO as per record of Directorate General of Shipping.

**b) For Past years:-**

- 1. Calculation of Interest on Damages :-** Shipping companies are required to deposit PF within 30 days (amended to end of next succeeding month) from the last date of PF deposited. If not, then penalty/damages is levied @15% on the number of days on the PF amount deposited. The damages, received will be provided to the audit party wherein the details of seafarer and the damages amount received will be divided in two parts which is as below for example

Interest	PF damages	Seafarer Accounts	Admin accounts
15%	1000	Out of 15% damages received the interest rate of the said Financial Year will be credited to Seafarer's account for example if the rate of interest is 8% for the year 2020-21 then 8% interest will be credited to Seafarer's account.	Remaining 7% to admin account

**(Brief description:** SPFO will provide damages received from Shipping Companies from 01/04/2014 in Excel format and Service Provider has to calculate partly Interest to be transferred to seafarers PF account and remaining in admin account)

- 2. Details of seafarers not registered with SPFO as per Director General of Shipping. ( Brief description:** SPFO will provide Excel data of Seafarers registered with SPFO and Director General of Shipping records, and Service Provider will sort out Seafarers who are registered and not registered with SPFO's application)

- 3. Details of Shipping companies who have not deposited PF with SPFO as per Director General of Shipping records. (Brief description:** SPFO will provide Excel data of PF received of Seafarer from Shipping Companies from SPFO and Director General of Shipping records from 01/04/2021 and Service Provider will provide the details of Shipping Companies who has not deposited PF of Seamen with SPFO.)

**10. Terms and conditions :**

- (1) The Auditors shall intimate their acceptance as internal auditors of Seamen's Provident Fund Organization within 3 week of receipt of this appointment letter to this office.
- (2) The appointment / re-appointment of auditor is subject to the Auditors making the following declarations / undertakings.
  - (i) That no partner of the firm of the Auditors is relate to the Commissioner or Trustees of Board of Seamen's Provident Fund Organization.
  - (ii) That neither the firm nor its Partner or Associates have any interest in the activities of the Seamen's Provident Fund Organization.
  - (iii) That the appointment / re-appointment will be within the limit specified in the sub-section (1B) and (1C) of Section 224 of the Companies Act, 1956. The auditors may also refers to the Gazette Notifications No. 1-CA(7) /53/2001/dated 19<sup>th</sup> May, 2001 of the Institute of Chartered Accounts of India where in it is specified, that a member of the Institutes practice shall be deemed to be guilty of professional misconduct, if he holds at any time appointment of more than the "specified number of audit assignments" of the Companies under Section 224 and / or section 228 of the Companies Act 1956 and the explanation thereto.
  - (iv) An Audit Firm which has completed it's term with SPFO shall not bid for next five years fro

m the completion of it's term.

- (v) That no TA/DA, out of pocket expenses will be claimed from the Seamen's Provident Fund Organization.
  - (vi) That no partner / chartered accountant / Cost Accountant employee of the firm of auditors has been held guilty of professional misconduct by the Institute of Chartered Accountant of India or The Institute of Cost Accountants of India during last year (in case any partner of the firm has been held guilty of professional misconduct by the Institute of Chartered Accountants of India or The Institute of Cost Accountants of India Please furnish details thereof)
- (3). The internal Auditors will have to undertake quarterly audit immediately on completion of quarter ending 30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December, and 31<sup>st</sup> March and submit report by the end of succeeding month of next quarter. They shall also assist in preparation of cogent replies to Statutory and Transactional Audit conducted by Comptroller & Auditor conducted by Comptroller & Auditor General of India.
- (4). Internal Auditor shall submit Report quarterly to Audit Committee and shall abide by the Directors of Audit Committee with reference to conducting of Internal Audit;
- (5). Internal Auditors are required to submit the Audit Certificate to the effect that they have audited the Accounts Balance Sheet and Income & Expenditure Account of the SPFO for the financial year.

#### 11. **Eligibility**

The detailed eligibility conditions are mentioned below :-

- i. The firm should be empanelled with Comptroller & Auditor General of India or The Institute of Chartered Accountants of India or The Institute of Cost Accountants of India with minimum 03 numbers of partners.
- ii. The firm should be Mumbai based.
- iii. The firm should have minimum experience of 3 years in internal audit.
- iv. The firm should have rendered Internal Audit services to renowned clients and Government agencies during the immediate preceding 3 years which will not be less than the following :-
  - (a) One assignment of Client / Govt agency of not less than Rs.2000 Cr turnover of funds.  
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  - (b) Two assignments of Clients not less than Rs.1000 Cr turnover of funds.  
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  - (c) Three assignments of Clients not less than Rs.750 Cr turnover of funds.
- v. The firm should never have been debarred / black listed by any of the client / Government agency. A declaration on stamp paper to be submitted in this regard in affidavit format.

If your firm is fulfilling the above criteria and you are interested in this assignment, provide the following details: -

- 1) Name of the Firm

- 2) Address of the Firm
- 3) Partners of your firms
- 4) Qualifications of each partner
- 5) Experience
- 6) Profile of your firm
- 7) The contact details of the authorized person
- 8) Name of present clients
- 9) Qualification / experience and Job profile of his/her key staff proposed to be deployed for t his assignment.

12. The Financial Bid shall be inclusive of all expenses including all taxes & levies and nothing extra w hatsoever shall be payable.
13. Performance Security Deposit: The selected Bidder will be required to submit to SPFO an unconditi onal and irrevocable Performance **Bank Guarantee for a sum of Rs.25,000/-** [Rupees. Twenty Five Thousand only] within **seven days (07 days)** from the date of notification of the award or at least 2 (two) working days prior to signing of the Agreement, whichever is earlier, for the due perfo rmance and fulfilment of the Agreement by the consultant.
  - 13.1 The Performance Bank Guarantee, payable on demand, should be issued by a Nationalized Bank only valid till 180 days beyond the expiry of the tenure of the appointm ent as Internal Auditor.
  - 13.2 All costs and incidental charges including commission etc, for arranging the Bank Guarant ee shall be borne by the bidder.
  - 13.3 SPFO may invoke the Performance Bank Guarantee, if in its opinion the selected Internal a uditor has not been able to perform the duties and obligations under the Agreement. Not withstanding and without prejudice to any rights whatsoever of SPFO, the amount of Perfo rmance Bank Guarantee shall be payable to the SPFO as compensation for the failure of t he selected Internal Auditor to perform the duties and obligations under the Agreement.
  - 13.4 SPFO, however, may give a notice of 14 days to the concerned Internal Auditor indicating t he duties and obligations for which the default is noticed and provide an opportunity to re present before the SPFO within the notice period of 14 days.

The decision of SPFO on the representation, if any, submitted by the concerned Internal A uditor shall be final and binding.

(Surendra Kumar),  
Commissioner,  
Seamen's Provident Fund Organization,  
Mumbai.

## Disclaimer

The additional terms and conditions have been incorporated by the Buyer after approval of the Competent Authority in Buyer Organization, whereby Buyer organization is solely responsible for the impact of these clauses

on the bidding process, its outcome, and consequences thereof including any eccentricity / restriction arising in the bidding process due to these ATCs and due to modification of technical specifications and / or terms and conditions governing the bid. Any clause(s) incorporated by the Buyer regarding following shall be treated as null and void and would not be considered as part of bid:-

1. Definition of Class I and Class II suppliers in the bid not in line with the extant Order / Office Memorandum issued by DPIIT in this regard.
2. Seeking EMD submission from bidder(s), including via Additional Terms & Conditions, in contravention to exemption provided to such sellers under GeM GTC.
3. Publishing Custom / BOQ bids for items for which regular GeM categories are available without any Category item bunched with it.
4. Creating BoQ bid for single item.
5. Mentioning specific Brand or Make or Model or Manufacturer or Dealer name.
6. Mandating submission of documents in physical form as a pre-requisite to qualify bidders.
7. Floating / creation of work contracts as Custom Bids in Services.
8. Seeking sample with bid or approval of samples during bid evaluation process.
9. Mandating foreign / international certifications even in case of existence of Indian Standards without specifying equivalent Indian Certification / standards.
10. Seeking experience from specific organization / department / institute only or from foreign / export experience.
11. Creating bid for items from irrelevant categories.
12. Incorporating any clause against the MSME policy and Preference to Make in India Policy.
13. Reference of conditions published on any external site or reference to external documents/clauses.
14. Asking for any Tender fee / Bid Participation fee / Auction fee in case of Bids / Forward Auction, as the case may be.

Further, if any seller has any objection/grievance against these additional clauses or otherwise on any aspect of this bid, they can raise their representation against the same by using the Representation window provided in the bid details field in Seller dashboard after logging in as a seller within 4 days of bid publication on GeM. Buyer is duty bound to reply to all such representations and would not be allowed to open bids if he fails to reply to such representations.

\*This document shall overwrite all previous versions of Bid Specific Additional Terms and Conditions.

[This Bid is also governed by the General Terms and Conditions](#)