



A Navratna Company  
ISO 9001:2008

## भारतीय नौकानयन महामंडळ मर्यादित

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय: शिपिंग हाउस, 245 मादाम कामा रोड, मुंबई - 400 021.

फोन: 91-22-2202 6666, 2277 2000 फॅक्स: 91-22-2202 6905 वेबसाइट: www.shipindia.com

### **The Shipping Corporation Of India Ltd.**

(A GOVERNMENT OF INDIA ENTERPRISE)

Regd. Office: Shipping House, 245, Madame Cama Road, Mumbai-400 021. Ph: 91-22 2202 6666, 2277 2000

Fax: 91-22 22026905 • Website: www.shipindia.com

सी.आइ.ए.ए./CIN-L63030MH1950GCI0008033

Ref No. IAD/SCI/GEN/E-42

Date : 11-08-2015

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Sirs,

**Sub: Invitation of Offer for appointment of Chartered Accountant/Cost Accountant Firm/Company to conduct audit of Agents Accounts**

**(Pre-bid meeting on 21-08-2015 at 1500 hrs.)**

**(Due Date 04-09-2015 at 1500 hrs.)**

**1. Brief information about the Corporation**

- 1.1 The Shipping Corporation of India Ltd. (hereinafter referred to as "the Corporation") is a Government of India Enterprise with a turnover of Rs.4441.73 crores for 2014-15. The Corporation is engaged in different segments of shipping services with 69 ships of 5.892 million DWT as on 01-07-2015 and has a global presence.
- 1.2 The Corporation has offices at Mumbai, New Delhi, Chennai, Kolkata, Port Blair, Haldia and London and operates through network of Agents throughout the world.
- 1.3 The Company's business at many locations including India and abroad is handled by Agents which include amongst others husbanding of ships, soliciting cargo, booking of cargo, delivery of cargo to customers, collection of freight, detention, demurrage and other charges, etc. from customers and remitting the same to SCI, making payments to vendors, monitoring of the containers and many more general functions.
- 1.4 The Corporation has SAP system with interlinked softwares of Danaos and Afsys in all its business and accounting segments. The SAP system is presently operational with modules; FICO / MM / HCM / PS / PM / BI / DMS / MDM / PI / GRC / SRM etc.

**2. Invitation of offer**

The Shipping Corporation of India Ltd. invites offers for audit of its agents

accounts in following countries. The offers are invited from reputed practicing firms/Companies of Chartered Accountants/Cost Accountants with office in India and presence on their own or through their associate offices in the following countries who are engaged in auditing of Corporate Accounts. The offer is on contract basis. The details of the locations and names of the agents are as follows :

<b>Country</b>	<b>Name of Agents</b>
United Kingdom / Ireland	M/s. DKT Allseas Shipping Ltd.
Germany	M/s. Karl Geuther GmbH
Netherlands	M/s. Mueller Liner Agency
Belgium	M/s. De Keyser Thornton N.V.
Italy	M/s. Cesare Fremura
Spain	M/s. Agencia Maritima Condeminas S.A.
Sweden	M/s. Freightman Ab.
Russia	M/s. Sovmortrans
Finland	M/s. OY Fennoscandia Chartering
France	M/s. CLB Liner
Denmark	M/s. Lehmann Junior A/s
Gibraltar	M/s. Inchape Shipping Services (Gibraltar) Inc.
Portugal	M/s. Pinto Basto
Norway	M/s. Freightman Norge A/s
Ukraine	M/s. Barwil Ukraine Ltd.
Turkey	M/s. Marti Shipping

The parties can quote for one or more than one country/agent out of the above list of sixteen countries/agents. The party must quote separately for each country/agent in Price Bid (Part II) of the tender document in Indian Rupees only.

**3. Period of Audit :**

The Audit will cover period from April 2011 till June 2015 except in United Kingdom, the period of audit will be from 1<sup>st</sup> December 2014 to 30<sup>th</sup> June 2015.

The bidders are requested to quote accordingly.

#### **4. Offer documents**

- 4.1 The offer documents can be downloaded from Corporation's website at <http://www.shipindia.com> and also on Government of India's tender portal <http://www.eprocure.gov.in> (CPPP). Parties are also advised to see the corrigendum, if any, which will be given only in the websites from time to time.
- 4.2 The offer documents are also available at the Registered Office of the Corporation with Senior Vice President (IA & TAX), on 9<sup>th</sup> floor, Shipping House, 245 Madame Cama Road, Mumbai 400 021. The telephone Nos. of SVP (IA & TAX) are 022-2277 2280/022-2282 0793.

#### **5. Pre-bid Meeting**

Pre-bid meeting will be held on **21-08-2015 at 1500 hrs.** in Conference Room, 14<sup>th</sup> Floor, Shipping House, 245 Madame Cama Road, Mumbai 400 021 for clarification required by tenderers, if any.

#### **6. Due Date for submission of Offer**

- 6.1 Offer, in the given format, duly completed and signed on each page, should be sent by registered post/courier service/hand delivery in **SEALED ENVELOPE**; superscribed as "Offer for appointment of Chartered Accountant/Cost Accountant Firm/Company to conduct audit of Agents Accounts" and should be addressed to

Senior Vice President (IA & TAX)  
The Shipping Corporation of India Ltd.,  
9<sup>th</sup> Floor, Shipping House,  
245 Madame Cama Road,  
Mumbai 400 021.  
Phone Nos. 022-2277 2280/022-2282 0793

- 6.2 Offer should reach the Senior Vice President (IA & TAX) at the above address of the Corporation **latest by 1500 Hrs. on 04-09-2015.**

**Offers received after the due date and time will not be accepted and the decision of the Corporation in this regard shall be final and binding.**

#### **7. Broad instructions for filling the Offer Document**

The parties are required to submit the offer in accordance with the instructions given below :

- 7.1 The Offer documents are issued in three parts
- (i) Part I(A) .....Terms and Conditions of Tender and Contract

- (ii) Part I(B) ..... Technical Information
- (iii) Part II ..... Professional Fees Offer
- (iv) Annexure - I ..Integrity Pact

- 7.2 The parties are requested to submit Part I(A) and Part I(B) of the offer documents in one sealed cover and Part II in another sealed cover. The envelope consisting of Part I(A) and Part I(B) shall be labelled as "Terms and Conditions of Tender and Contract and Technical Information". The envelope consisting of Part II shall be labelled as "Professional Fees Offer".
- 7.3 On both the sealed covers, party's name, address and contact details (including telephone numbers and email address) must be indicated at the bottom left side.
- 7.4 The above two sealed covers should then be put in a third sealed cover superscribed as "Offer for appointment of Chartered Accountant/Cost Accountant Firm/Company as Auditors of SCI on contract basis for audit of Agents Accounts" and addressed to Senior Vice President (IA & TAX), The Shipping Corporation of India Ltd., 9<sup>th</sup> floor, Shipping House, 245 Madame Cama Road, Mumbai 400 021.
- 7.5 The third sealed cover should also carry party's name, address and contact details (including telephone number and email address) at the bottom left side.
- 7.6 Parties must use the offer document (Part-I(A), Part-I(B) and Part-II) enclosed herewith and **shall not make any alterations in the same while submitting.**
- 7.7 Offer documents, if downloaded from the SCI/CPPP website, shall be downloaded **IN TOTO REPEAT IN TOTO and no change**, whatsoever shall be made.

## **8. Assessment of Offers**

- 8.1 The offers will be assessed first on the basis of the information furnished in Part I(A) and Part I(B) of the offer document. On the basis of such technical information, the Corporation will assess the capability of the parties to undertake the work of Audit of Agents Accounts. If found unsuitable, the offer will be rejected/disqualified by the Corporation and in such case Part II (Professional Fees Offer) will not be opened. The decision of the Corporation in this regard shall be final and binding. **Please note that all the information required in Part I(A) and Part I(B) should be properly filled in and all the documents in support must be enclosed with the offer.**
- 8.2 Once the parties are assessed and technically qualified, the Part II (Professional Fees Offer) of only those parties who are technically qualified will be opened.

- 8.3 The selection is based on the basis of lowest Professional Fees offer given by the parties in Part II. The contract will be awarded country-wise / Agent-wise on L1 basis.
- 8.4 The date of opening of Part I(A) and Part I(B) of the offer documents will be conveyed separately to the participating parties. Those parties, who desire to remain present at the time of opening of the Part I(A) & I(B) may do so at their time and cost.
- 8.5 Part II of the offer document of those parties assessed and technically qualified by the Corporation will be opened in presence of their representative. Those parties, who desire to remain present at the time of opening of the Part II may do so. The date and time will be informed separately.

**9. Validity of the offer**

The offer submitted by the parties shall be valid for acceptance by the Corporation up to **SIX MONTHS** from due date.

Thanking you,

Yours faithfully,  
For The Shipping Corporation of India Ltd.,

Senior Vice President (IA & TAX)

Encl :

- (i) Part I(A) .....Terms and Conditions of Tender and Contract (Page No.6 to 14)
- (ii) Part I(B).....Technical Information (Page No.15 to 17)
- (iii) Part II.....Professional Fees Offer (Page No.18)
- (iv) Annexure - I..Integrity Pact (Page No.21 to 26)

**PART I(A)**

**THE SHIPPING CORPORATION OF INDIA LTD.**  
**(A Government of India Enterprise)**  
**FINANCE DIVISION**

**Sub: Invitation of Offer for appointment of Chartered Accountant/Cost Accountant Firm/Company on contract basis for Audit of Agents Accounts**

**Terms and Conditions of Tender and Contract**

**1. Eligibility Criteria**

The parties including their associate firm (herein after referred to as "Auditors") must fulfil following eligibility criteria from Sr. No.1.1 to 1.9 to become eligible for participating in the subject tender.

- 1.1 The Auditors must be practicing Chartered Accountant/Cost Accountant firm/Company in India.
- 1.2 The Auditors must have a presence on their own or through their associate, engaged in auditing of Corporate Accounts in the country for which the tender submitted.

<b>Country</b>	<b>Name of Agents</b>
United Kingdom / Ireland	M/s. DKT Allseas Shipping Ltd. (In United Kingdom, the period of audit will commence from 1 <sup>st</sup> December 2014 to 30 <sup>th</sup> June 2015. The bidders are requested to quote accordingly.)
Germany	M/s. Karl Geuther GmbH
Netherlands	M/s. Mueller Liner Agency
Belgium	M/s. De Keyser Thornton N.V.
Italy	M/s. Cesare Fremura
Spain	M/s. Agencia Maritima Condeminas S.A.
Sweden	M/s. Freightman Ab.
Russia	M/s. Sovmortrans
Finland	M/s. OY Fennoscandia Chartering
France	M/s. CLB Liner
Denmark	M/s. Lehmann Junior A/s
Gibraltar	M/s. Inchape Shipping Services (Gibraltar) Inc.
Portugal	M/s. Pinto Basto

Norway	M/s. Freightman Norge A/s
Ukraine	M/s. Barwil Ukraine Ltd.
Turkey	M/s. Marti Shipping

- 1.3 The firm must be sufficiently large in size and must have following minimum strength of employees at their India office:
- qualified Chartered Accountants / Cost Accountants (partners/employees) to be minimum Ten (10).
  - semi-qualified assistants (including articles) in employment to be Thirty (30).
  - SAP certified auditors (who shall have successfully passed out from either SAP AG or Partner Academy of SAP or Authorised Training Centres of SAP in FICO module to be three (3). They must possess a certificate from SAP AG or Certificate of participation from Partner Academy of SAP / Authorised Training Centres of SAP.
- 1.4 The Auditors must have knowledge of all local laws, tax laws, accounting principles, conventions and shipping practices applicable in the respective countries.
- 1.5 Experience of at least three financial years in Internal or Statutory audit work in India with Public Ltd. Co. with annual turnover of Rs. 500 crores and above in past five financial years.
- 1.6 Minimum Experience in Internal / Statutory Audit work for ten financial years in India.
- 1.7 Minimum Experience in Internal / Statutory Audit for five financial years in country for which the offer is submitted in past 10 financial years.
- 1.8 Experience of at least three financial years in Internal or Statutory audit work with company/firm with annual turnover of Rs. 50 crores and above (or in equivalent foreign currency) in the past five financial years in country for which the offer is submitted. For the purpose of conversion of foreign currency to Indian Rupees the exchange rate will be basis SCI Closing rate adopted for its Balance Sheet for each of the financial year, wherever the financial year is same as SCI financial year. In case of the financial year is different from SCI, the rate of exchange will be applied as per the rate on the relevant closing date as used by SCI.
- 1.9 Experience of at least two financial years in past ten financial years in Internal or Statutory audit work with ship owning / operating company having commercial operations in India or in country for which the offer is submitted with annual turnover of Rs.100 crores and above or in equivalent foreign currency.
- Note :
- Experience means experience in India through its own office and experience in other countries specified in the tender through it own office or through associate.
  - For the purpose of calculating 5/10 Financial years, the current financial year of 2015-16 to be excluded (in case of overseas associate firms; basis financial year in the respective countries).
  - Associate means a firm which has an existing MOU with the tenderer for a period of at least three (3) years since 2012.

## **2. Terms & Conditions governing the contract**

- 2.1 The auditor must conduct the audit as per Scope of Work given below and in line with the approved Audit Plan.

### **Scope of Work**

- 2.1.1 Conduct Audit of Agents Accounts under the overall ambit of Agency Agreement (including any further documents / circular / intimation / addendum / letter to agent) entered by SCI with the Agents with objective of reasonability, transparency, governance, appropriateness, correctness of the transactions and compliance with Agency Agreement. All such documents will be provided to the auditors prior to commencement of the audit
- 2.1.2 Achieving the above objective involves but is not limited to verification of the transactions recorded in SCI operating sub systems (on the revenue side Afsys system and on the expenditure side Danaos system) by the agents vis a vis transactions recorded in Agents own Books of Accounts, verifying the transactions in the dedicated freight bank account in the name of SCI and dedicated disbursement bank account in the name of the agent. If the original transactions are not recorded in the dedicated freight and disbursement accounts then the same should be verified from the agents bank accounts where the transactions have taken place.
- 2.1.3 Verification of transactions/review to include matching of expenses (FDA) along with corresponding income and container movements, repair, haulage etc. The auditor should also concentrate on charges other than ocean freight, like demurrage, detention on containers, etc. Obtaining independent confirmations from external parties/agencies, ports, depots, vendor etc. due diligence and performing background checks on high value vendors, monitoring of freight rates at which freight is booked by the agent, review of adequacy of bank guarantees furnished by agents to SCI, verification of documentation sent by agents to end customer, verification of exchange rates received by agents vis a vis those reported to SCI, verification of rebates from vendors etc. (wherever SCI has a knowledge of vendors/ports/depots etc. giving rebates, discounts the details will be shares with the auditors prior to commencement of the audit). However, in case during the course of the audit the auditors comes across any other vendor / port / terminal etc. giving rebates / discounts this also should be the part of the report being submitted to SCI. Wherever auditors come across any transaction where the agents have utilised services of related party vendors this should also form the part of the findings in the report.
- 2.1.4 Verification to include any aberration having a financial impact on SCI.



- 2.1.5 Suggestions for improvements in internal controls with reference to transactions with the agents, including best practices being followed in other shipping companies, Early Warning Systems etc.
- 2.1.6 Sample size would be appropriate to the size and nature of the transactions as deemed fit and appropriate to achieve the audit Objective.
- 2.1.7 The period of audit is April 2011 till June 2015 (four years and one quarter). In United Kingdom, the period of audit is from 1st December 2014 to 30th June 2015.

## 2.2 **Audit Plan**

- 2.2.1 The Audit Plan should cover all operations of the Agents in the respective country pertaining to SCI's operations / business (including all commercial operations, crew matters, technical operations, etc.).
- 2.2.2 The Audit Plan should cover the period from April 2011 to June 2015 unless specified otherwise. (In United Kingdom, the period of audit will commence from 1<sup>st</sup> December 2014 to 3<sup>0th</sup> June 2015)
- 2.2.3 The Audit Plan must include all the areas referred to in the scope.
- 2.2.4 The Auditors will prepare the audit plan for consideration and approval by the respective divisions of SCI prior to commencement of audit.

## 2.3 **Reporting Procedure**

- 2.3.1 The auditors will submit their draft and final reports country-wise / agent-wise.
- 2.3.2 The auditors will submit their findings initially through the draft report and also by way of Power Point Presentation to the Management Committee of SCI. The draft report will be submitted to the Management Committee through Senior Vice President (IA & TAX) within 45 days of award of contract.
- 2.3.3 The Audit Report shall cover the practices followed by other shipping companies who do business through agents.
- 2.3.4 The audit report shall suggest the best international practices.
- 2.3.5 The Audit Report must also cover the basis / criteria / adequacy for bank guarantees to be obtained from agents
- 2.3.6 The comments etc. given by the Management Committee and the operating divisions will be considered by the auditors for incorporating in the final audit report. The auditors will give their feedbacks / rejoinders on the Management comments in the final report.
- 2.3.7 The Auditors will submit the final report to the Management Committee through Senior Vice President (IA & TAX) of SCI within 90 days of the award of the contract.

## **2.4 Audit Team**

- 2.4.1 The auditors will submit the names of the qualified team members (Chartered Accountants / Cost Accountants / equivalent) who will perform the audit as part of the offer.
- 2.4.2 The auditors will ensure that the composition of the audit team is not changed in the ordinary course of audit except in exceptional circumstances with approval of Senior Vice President (IA & TAX).

## **2.5 Confidentiality**

- 2.5.1 The information/documents made available to the Auditor during the period of this assignment shall be treated in strict confidentiality and shall not be made available outside the firm/co. without specific consent of SCI/agent.
- 2.5.2 The Audit Reports so submitted by the Auditor shall be the exclusive property of SCI. The SCI can, at its own discretion and rights, furnish the copies of reports to any connected person(s), firm, Co., Corporation or Authority, etc.

## **2.6 Professional Fees for Audit Work**

- 2.6.1 The professional fees and applicable taxes for this assignment will be quoted and paid in Indian Rupees as per the schedule hereunder:
- (a) 50% payment of professional fees would be paid as advance on submission of the draft report and compliance as per clause 2.3.2 above.
  - (b) Final balance of 50% professional fees will be paid on acceptance of Final Report by SCI Management Committee and on compliance as per clause 2.3.7 above.
- 2.6.2 The professional fees (excluding applicable taxes) quoted by the Auditor shall remain fixed and unaltered during tenure of the contract and NO ESCALATION whatsoever shall either be claimed or considered.
- 2.6.3 No other expenses, of whatsoever nature including travelling and out of pocket expenses, shall either be claimed by Auditors or paid by SCI for the work scope given under this contract.
- 2.6.4 The Corporation will provide adequate infrastructure such as office space with network connectivity, stationery, tea/coffee to the selected party for familiarisation with SCI systems including Afsys and Danaos to enable them to carry out an effective audit at SCI H.O. as well as the Agents locations.
- 2.6.5 (i) In case the audit could not be performed at agents location due to circumstances beyond the control of the auditor including or not limited to non-co-operation from the agents in the specified countries, the auditors will be paid basis actual expenditure incurred not exceeding 25% of the quoted cost.

(ii) In case the audit period (from April 2011 to March 2015) covered by the auditors is lower than the contracted period, the fees payable will be on pro-rata basis for the period audited. For quarter 1 of 2015-16, payment shall be due if audit for the period from April 2015 to June 2015 is completed in whole.

(iii) In case SCI terminates the contract for reasons other than those mentioned under clause No. 2.9, the auditors would be paid on a pro-rata basis for the period audited.

2.6.6 The Auditors are expected to be equipped with laptop for carrying out the audit. They will be provided with the scanner and printer during duration of the audit activity in Mumbai Head Office.

## **2.7 General T&C**

2.7.1 The Auditor must not sub-contract the work.

2.7.2 The audit team will work in strict confidentiality and will ensure that the information in respect of the operation of the area/unit is dealt in strict confidentiality and secrecy.

2.7.3 The offer given by the parties shall be valid for acceptance by the Corporation up to **SIX MONTHS** from due date.

*2.7.4 Incomplete tender document / information will be rejected summarily.*

- 2.7.5
1. SCI reserves the right to extend the time for submission of all proposals location-wise, agent-wise
  2. Share the information / clarification provided in response to the tender by any bidder with any other bidder(s) / others in any form.
  3. SCI reserves the right to cancel the tender at any stage either fully or partially without assigning any reason whatsoever.

## **2.8 Disqualification**

2.8.1 The Auditor bidding for this audit should not have conflict of interest. They should not have conducted any audit assignment in SCI, as Internal or Statutory, pertaining to agent's account for the period from April 2011 to June 2015 as on the due date of the tender. Such parties are not eligible to participate in the subject tender.

2.8.2 The auditor or its associate firm should not have been the auditor of the SCI agent for the period under audit for which the offer has been submitted.

2.8.3 Bid not submitted in accordance with terms and conditions of the tender form.

2.8.4 If the tenderer increases his rates after submission of the tender.

2.8.5 The tenderer qualifies the tender with his own conditions.

- 2.8.6 Bid received in incomplete form.
- 2.8.7 Information submitted in technical offer (Part I(A) & Part I(B)) is found to be incorrect or false at any time either during the processing of the tender (no matter at what stage) or during the tenure of the contract.
- 2.8.8 The Tenderer qualifies the letter of acceptance of the contract with his conditions.
- 2.8.9 The tenderer is found to be in arrears or default with regard to payment of dues to various concerned local Government agencies.
- 2.8.10 Multiple tenders being submitted by the tenderer or if common interests are found in two or more tenderers, if it comes to the knowledge of Corporation that some of the tenderers have formed a cartel resulting in delay/holding up the processing of the tender. All such tenderers involved in cartel are liable to be disqualified for this contract as well as for a further period of two years.

## **2.9 TERMINATION CLAUSE**

SCI reserves its rights to terminate the appointment of the Auditor for any reason at its absolute discretion including but not limited to the following:

- (a) If the Auditor is adjudicated insolvent by a Competent Court or files for insolvency or the firm is ordered to be wound up by a Court of Competent Jurisdiction.
- (b) The Auditor commits any breach of the terms of this contract / offer document.
- (c) If any charge sheet is filed by the competent authority of the Government against the Auditor, or the Auditor is convicted by a criminal court on grounds of moral turpitude. It is clearly understood by the auditor that if a charge-sheet is filed by any competent authority of the government against Auditor, the auditor is obliged to notify the Corporation within 15 days of filing of the Charge-sheet. Failure to do so shall result in forfeiture of all payments due after the date of filing of the Charge-sheet.
- (d) In the event of unsatisfactory service or failure on the part of the Auditor, at any time, to carry out the terms and conditions of the appointment / contract to the satisfaction of SCI, of which the SCI shall be the sole judge; the SCI has the right to forthwith terminate the appointment / contract.
- (e) In the event of Auditor taking any other audit assignment in SCI directly in conflict with this assignment.

(f) If there is a change in the name of the tenderer's firm / company etc. arising out of

- Merging with some other company or
- Collaboration with some other company or
- for any other reason

or, if any changes take place in the Proprietorship or Partnership of the tenderer's firm, the Corporation should be intimated within 30 (Thirty) days of such changes, failing which, all payments will be withheld and the Corporation may terminate the contract as may be deemed necessary in view of the changed / altered scenario. Whatever be the reason of changes, the subject contract would be terminated unless the new company/entity accepts the subject at the same rates, terms and conditions laid down herein.

The decision of SCI in terminating the appointment / contract will be final and binding on the Auditor.

## **2.10 INTEGRITY PACT**

The tenderer shall submit the tender along with the "Integrity Pact", issued along with the tender document, duly signed on all pages and details filled in properly. All pages of the Integrity Pact shall be signed by the same signatory who signs the bid document and has the authority on behalf of the C.F.O. of the company he represents. The acceptance of Integrity Pact shall be unconditional and the tenderer must not change any contents of the Integrity Pact. The signed Integrity Pact should be enclosed with the technical Information (Part I(B)) of the tender document. The copy of Integrity Pact is enclosed at Annexure - I. Bids received without the signed Integrity Pact and/or without details filled in, shall be rejected. The Annexure - I duly signed must be enclosed with Part I(B) of the tender document.

Details of Independent External Monitor (IEM) is given below:

1. Mr. Syed Shahzad Hussain, IAS (Retd.)  
Ex. Additional Chief Secretary, Govt. of Maharashtra  
Presently Chief Executive Officer, MCHI-CREDAI

Postal Address:-  
MCHI-CREDAI, Maker Bhavan - II, 4th Floor,  
18, Sir Vithaldas Thakersey Marg,  
New Marine Lines, Mumbai 400 020.

Tel.No.: +91 22 4212 1421  
E-mail: [sshussain50@yahoo.com](mailto:sshussain50@yahoo.com)

**2.11 EXIT CLAUSE**

The SCI at its sole discretion can terminate the appointment / contract without assigning any reason whatsoever by giving 30 days notice to the firm.

The decision of SCI in terminating the appointment / contract will be final and binding on the firm.

**2.12 JURISDICTION**

All matters connected with this appointment / contract shall be governed by the Indian Law, both substantive and procedural, for time being in force, and shall be subject to the exclusive jurisdiction of Courts at Mumbai.

**3. Information to be furnished**

3.1 The parties shall furnish information in format given at Part I(B) along with certificates / declarations as indicated therein.

3.2 The parties shall give undertaking that they are agreeable to the above terms and conditions.

-----  
WE FULFIL THE ELIGIBILITY CRITERIA & AGREE TO ABIDE BY THE ABOVE TERMS AND CONDITIONS GOVERNING THE CONTRACT.

(Signature of the authorised person on behalf of Firm/Co.)

Full Name of the firm/co:\_\_\_\_\_

Designation of the authorised person :\_\_\_\_\_

Firm / Company Seal \_\_\_\_\_

Date : \_\_\_\_\_

Place : \_\_\_\_\_

**TECHNICAL INFORMATION OF THE FIRM / CO.**

<b>Full Name of Company / Firm</b>	<b>Address in India including telephone numbers (office and mobile / fax number / email / website)</b>	<b>Own Office Address, if any, in countries specified in Tender Doc.</b>	<b>Associate Address in Countries specified in Tender Doc.</b>	<b>Year of Establishment of Office in India</b>	<b>Registration No. and year of registration with Institute of Chartered Accountants of India / Institute of Cost Accountants of India / ROC / Registrar of Firms etc.</b>	<b>No. of Partners / Directors with names &amp; experience</b>	<b>No. of Qualified Chartered Accountants / Cost Accountants (partners/ employees) with names and registration Nos.  (Minimum to be 10)</b>	<b>No. of Semi Qualified Assistants (including Articles) in employment  (Minimum to be 30)</b>	<b>No. of SAP certified Auditors as per eligibility criteria at India Office with names  (Minimum to be 3)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>	<b>(9)</b>	<b>(10)</b>

Cont...

Do you have Knowledge of local laws, tax laws, accounting principles, conventions and shipping practices in the countries for which the offer is submitted	Experience in Internal / Statutory Audit work in India  (Minimum 10 Financial years excluding current financial year i.e. 2015-16)		Experience in Internal / Statutory Audit work in specified countries for which offer is submitted  (Minimum 5 Financial years in past 10 Financial Years excluding current financial year i.e. 2015-16)		Experience in Internal / Statutory audit work with Public Ltd. Co. in India with annual turnover of Rs.500 crores & above (Minimum to be 3 financial years in past 5 financial years since 2010-11)		Experience in Internal or Statutory audit work with Public Ltd. Co. with annual turnover (or equivalent to foreign currency) of Rs.50 crores and above in specified countries for which the offer is submitted (Minimum to be 3 financial years in past 5 financial years since 2010-11)		Experience of Internal or Statutory audit work with ship owning / operating company having commercial operations in India or in specified countries for which the offer is submitted with annual turnover of Rs.100 crores and above or equivalent foreign currency  (Minimum 2 Financial years in past 10 Financial Years excluding current financial year i.e. 2015-16)		Details of other assignments held in SCI on the date of submission of offer pertaining to the period of Audit (April 2011 to June 2015)
	PLEASE SAY AFFIRMATIVELY YES OR NO	Names of clients in Internal Audit Assignment (years-wise)	Names of clients in Statutory Audit Assignment (years-wise)	Names of clients in Internal Audit Assignment (years-wise with name of country)	Names of clients in Statutory Audit Assignment (years-wise with name of country)	Names of Public Ltd. Co. in Internal Audit Assignment (years-wise)	Names of Public Ltd. Co. in Statutory Audit Assignment (years-wise)	Names of Public Ltd. Co. in Internal Audit (years-wise with name of country)	Names of Public Ltd. Co. in Statutory Audit (years-wise with name of country)	India	
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)

Cont...



<b>Brief Details of MOU with associates (country-wise)</b>
<b>(23)</b>

**WE CERTIFY THAT THE INFORMATION FURNISHED ABOVE ABOUT OUR FIRM / COMPANY ARE TRUE AND CORRECT.**

-----	/	-----
Signature & Name of Partner		Authorised Person
with seal of the Firm		with seal of the Company

Date : \_\_\_\_\_

Place: \_\_\_\_\_

**Note:** Enclose following certificates / declarations / details in support of above information and must categorically say "Yes" or "No" as follows.

- |   |                     |
|---|---------------------|
| 1. Photocopies of latest constitution / registration certificates of the Firm/Co. issued by the ICAI. (column No.6)   | Enclosed = Yes / No |
| 2. Declaration on letter head about Auditor having office in India with address of the office (column No.2)   | Enclosed = Yes / No |
| 3. Details of all the Partners/Directors with their names, qualifications, experience and copies of reg. certificates (column No.7)                                   | Enclosed = Yes / No |
| 4. Details of no. of qualified CAs in employment with names, and copies of reg. No. (column 8)  | Enclosed = Yes / No |
| 5. Details of number of semi-qualified assistants (including articles) in employment with their names and, qualification. (column No.9)                               | Enclosed = Yes / No |
| 6. Details of number of SAP certified auditors as indicated in the eligibility criteria at office in India with their names and copies of certificates.(column No.10) | Enclosed = Yes / No |
| 7. Photocopies of appointment/contract letters for other assignments held in SCI on the date of submission of offer (column No.22)                                    | Enclosed = Yes / No |
| 8. Self certified copy of MOU with associates   | Enclosed = Yes / No |
| 9. Proof of address in India and abroad in the form of electricity bill / telephone bill / water receipt / municipality receipt – anyone to be attached               | Enclosed = Yes / No |

**THE SHIPPING CORPORATION OF INDIA LTD.**  
**Shipping House, 245 Madame Cama Road,**  
**Mumbai 400 021**

**Invitation of Offer for appointment of Chartered Accountant / Cost Accountant Firm/ Company**  
**to conduct audit of Agents Accounts**

**– PROFESSIONAL FEES OFFER –**

Name of the Firm / Company								
Address of the Firm / Co. in India								
ALL INCLUSIVE Professional Fees for Audit Work as per the Tender/Offer Document and detailed Work Scope provided by SCI in Part I (A)  (the quoted fees is excluding applicable taxes which will be paid by SCI at actual)	<b>Country</b>	<b>Name of Agents</b>	<b>In INR</b>					<b>Total</b>
			<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16 (Q1)</b>	
	United Kingdom / Ireland	M/s. DKT Allseas Shipping Ltd. (For FY 2014-15 Period is 01/12/2014 to 31/03/2015)	NIL	NIL	NIL			
	Germany	M/s. Karl Geuther GmbH						
	Netherlands	M/s. Mueller Liner Agency						
	Belgium	M/s. De Keyser Thornton N.V.						
	Italy	M/s. Cesare Fremura						
	Spain	M/s. Agencia Maritima Condeminas S.A.						
	Sweden	M/s. Freightman Ab.						
	Russia	M/s. Sovmortrans						
	Finland	M/s. OY Fennoscandia Chartering						
	France	M/s. CLB Liner, France						
	Denmark	M/s. Lehmann Junior A/s						
	Gibraltar	M/s. Inchape Shipping Services (Gibraltar) Inc.						
	Portugal	M/s. Pinto Basto						
	Norway	M/s. Freightman Norge A/s						
	Ukraine	M/s. Barwil Ukraine Ltd.						
Turkey	M/s. Marti Shipping							

In case of discrepancy in words and numbers, the amount mentioned in words will be considered as final.

\_\_\_\_\_  
 Signature & Name of Partner / Authorised Person  
 with seal of the Firm / Company

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Ps.: All quotations to be made in round figures in Indian Rupees only.

The agent-wise number of transactions for each year (expenditure / revenue) are tabulated in page 2 which forms part of the tender document. Interested bidders may quote after perusing this data.

Quotations are to be given specifically country-wise and year-wise as specified in the table above.

Country	Name of Agents	SAP Vendor Code	Expenditure - Number of Transaction					Total
			Year 1 2011-12	Year 2 2012-13	Year 3 2013-14	Year 4 2014-15	Year 5 2015-16 (Q1)	
United Kingdom / Ireland	M/s. DKT Allseas Shipping Ltd.	600768	0	0	0	481	827	1308
Germany	M/s. Karl Geuther GmbH	600043	2580	6069	5203	6302	1426	21580
Netherlands	M/s. Mueller Liner Agency	600054	591	814	1352	1930	404	5091
Belgium	M/s. De Keyser Thornton N.V.	600018	2287	2819	3938	4400	1132	14576
Italy	M/s. Cesare Fremura	600011	3470	6318	6137	9457	1740	27122
Spain	M/s. Agencia Maritima Condeminas S.A.	600001	3050	3648	2746	3416	626	13486
Sweden	M/s. Freightman Ab.	600026	463	941	1028	1174	209	3815
Russia	M/s. Sovmortrans	600069	192	1457	303	669	152	2773
Finland	M/s. OY Fennoscandia Chartering	600058	744	659	979	339	25	2746
France	M/s. CLB Liner, France	600015	567	598	667	711	167	2710
Denmark	M/s. Lehmann Junior A/s	600047	405	286	697	598	116	2102
Gibraltar	M/s. Inchape Shipping Services (Gibraltar) Inc.	600036	199	79	182	76	33	569
Portugal	M/s. Pinto Basto	600060	0	0	99	101	0	200
Norway	M/s. Freightman Norge A/s	600027	136	94	190	190	31	641
Ukraine	M/s. Barwil Ukraine Ltd.	600121	135	122	103	45	3	408
Turkey	M/s. Marti Shipping	600050	4192	1884	3043	1427	113	10659

Country	Name of Agents	SAP Customer Code	Revenue - Number of Transaction					Total
			Year 1 2011-12	Year 2 2012-13	Year 3 2013-14	Year 4 2014-15	Year 5 2015-16 (Q1)	
United Kingdom / Ireland	M/s. DKT Allseas Shipping Ltd.	4000000175	0	0	0	3715	5165	8880
Germany	M/s. Karl Geuther GmbH	4000000043	80264	62977	13813	10779	4120	171953
Netherlands	M/s. Mueller Liner Agency	4000000054	35165	23746	11508	7402	2408	80229
Belgium	M/s. De Keyser Thornton N.V.	4000000018	28412	42320	10139	9243	4083	94197
Italy	M/s. Cesare Fremura	4000000071	100305	35218	9962	3187	710	149382
Spain	M/s. Agencia Maritima Condeminas S.A.	4000000001	48333	25732	6929	2846	843	84683

Sweden	M/s. Freightman Ab.	4000000026	3261	2325	1322	1384	318	8610
Russia	M/s. Sovmortrans	4000000070	2395	2968	3932	2159	83	11537
Finland	M/s. OY Fennoscandia Chartering	4000000058	1064	1088	784	926	252	4114
France	M/s. CLB Liner, France	4000000015	690	572	223	230	163	1878
Denmark	M/s. Lehmann Junior A/s	4000000047	4265	1978	2373	583	284	9483
Gibraltar	M/s. Inchape Shipping Services (Gibraltar) Inc.	4000000036	0	0	0	0	0	0
Portugal	M/s. Pinto Basto	4000000061	431	139	89	18	1	678
Norway	M/s. Freightman Norge A/s	4000000027	292	225	379	192	93	1181
Ukraine	M/s. Barwil Ukraine Ltd.	4000000131	179	183	31	1	0	394
Turkey	M/s. Marti Shipping	4000000050	14047	5034	773	54	21	19929

## **ANNEXURE - I**

(INTEGRITY PACT DOCUMENT)

(TO BE EXECUTED IN PLAIN PAPER AND APPLICABLE FOR

ALL TENDERS VALUING ABOVE RUPEES ONE CRORE)

INTEGRITY PACT

Between

The Shipping Corporation of India Limited (SCI) hereinafter referred to as "The Principal",

and

\_\_\_\_\_ hereinafter referred to as "The Bidder/Contractor".

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for \_\_\_\_\_. The Principal values full compliance with all relevant laws and regulations, and the principles of economical use of resources, and of fairness and transparency in its relations with its Bidder(s) and Contractor(s).

In order to achieve these goals, the Principal cooperates with renowned international Non-Governmental Organisation "Transparency International" (TI). Following TI's national and international experience, the Principal will appoint an External Independent Monitor who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of the Principal

(1). The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:

1. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.
2. The Principal will, during the tender process treat all Bidders with equity and reason. The Principal will in particular, before and during the tender

process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.

3. The Principal will exclude from the process all known prejudiced persons.

(2). If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

## Section 2 – Commitments of the Bidder/Contractor

(1). The Bidder / Contractor commits itself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

1. The Bidder / Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage during the tender process or during the execution of the contract.

2. The Bidder / Contractor will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.

3. The Bidder / Contractor will not commit any offence under the relevant Anti-corruption Laws of India; further the Bidder / Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

4. The Bidder / Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

(2). The Bidder / Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

### Section 3 – Disqualification from tender process and exclusion from future contracts

If the Bidder, before contract award has committed a serious transgression through a violation of Section 2 or in any other form such as to put his reliability or credibility as Bidder into question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.

1. If the Bidder / Contractor has committed a transgression through a violation of Section- 2 such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder / Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgression, the position of the transgressors within the company hierarchy of the Bidder and the amount of damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
2. The Bidder accepts and undertakes to respect and uphold the Principal's absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.
3. If the Bidder / Contractor can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.
4. A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

### Section 4 – Compensation for Damages

1. If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder liquidated damages equivalent to 3% of the value of the offer or the amount equivalent to Earnest Money Deposit / Bid Security, whichever is higher.
2. If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount

equivalent to Security Deposit / Performance Bank Guarantee, whichever is higher.

3. The Bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder / Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of liquidated damages, the Bidder / Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

#### Section 5 – Previous Transgression

1. The Bidders declare that no previous transgressions occurred in the last three years with any other Company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.

2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

#### Section 6 – Equal treatment of all Bidders / Contractors

1. The Bidder / Contractor undertakes to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.

2. The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.

3. The Principal will disqualify from the tender process all Bidders who do not sign this Pact or violate its provisions.

#### Section 7 – Criminal charges against violating Bidders / Contractors

If the Principal obtains knowledge of conduct of a Bidder, Contractor or of an employee or a representative or an associate of a Bidder, Contractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

#### Section 8 – External Independent Monitor/ Monitors

(three in number depending on the size of the contract)

(to be decided by the Chairman of the Principal)



1. The Principal appoints competent and credible External Independent Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
2. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairman of the Board of the Principal.
3. The Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder / Contractor with confidentiality.
4. The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
6. The Monitor will submit a written report to the Chairman of the Board of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the "Principal" and, should the occasion arise, submit proposals for correcting problematic situations.
7. Monitor shall be entitled to compensation on the same terms as being extended to / provided to Outside Expert Committee members / Chairman as prevailing with Principal.
8. If the Monitor has reported to the Chairman of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairman has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.

9. The word "Monitor" would include both singular and plural.

Section 9 – Pact Duration

This pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Chairman of the Principal.

Section 10 – Other provisions

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered office of the Principal, i.e. Mumbai.
2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
3. If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
4. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

.....

For the Principal For the Bidder / Contractor

(Official Seal) ( Official Seal)

Place: .....

Witness : 1.....

Date: .....

2. ....