

# **Request for Proposal (RFP)**

for

**Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-  
ACM and APY for the Financial Year 2022-2023, 2023-2024 &  
2024-2025**

of

**Department of Posts**

**Ministry of Communications**

**Government of India**



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## **Section I: Request for Proposal Letter (RFPL)**

### **1. Request for Proposal Letter (RFPL)**

"The President of India, through the Director (Internal Audit) of Internal Audit & Finance Wing of the Department of Posts, Ministry of Communications, Government of India (hereinafter referred to as 'the Head of Procurement,' 'Department of Posts,' and 'the Procuring Organisation' respectively), invites proposals (hereinafter referred to as 'the Proposal(s)') exclusively from a list of the top Six (06) C&AG-empaneled Chartered Accountant firms/LLPs that have been assessed as highly competent and possess operational branches in both New Delhi and Bengaluru/Mysore (please see Tender Information Summary (TIS) appended to this letter for reference), for entering into a contract for the delivery of Auditing Services (hereinafter referred to as 'the Services'), using the selection method as specified in TIS."

### **2. The RFP Document**

#### **2.1 Auditors must read the complete 'RFP Document'.**

This RFPL, an integral part of the RFP Document, serves the limited purpose of invitation and does not purport to contain all relevant details for submitting Proposals. 'Tender Information Summary' (TIS) appended to this letter gives a salient summary of the relevant information, including the Type of BOQ/ Contract and Selection Method to evaluate RFP. Any generic reference to RFPL shall also imply a reference to TIS as well. However, Auditors must go through the complete RFP Document for details before submission of their Proposals.

#### **2.2 Availability of the RFP Document**

The RFP Document shall be published on the e-Public Procurement Portal for download after the date and time of the start of availability till the deadline for availability as mentioned in TIS. Unless otherwise stipulated in TIS, the downloaded RFP Document is free of cost. If Department of Posts happens to be closed on the deadline for the availability of the RFP Document, the deadline shall not be extended. Any query/ clarification regarding downloading RFP Documents and uploading Proposals on the e-Procurement portal may be addressed to the Help Desk in the e-Procurement Portal (please refer to TIS for details).

#### **2.3 Clarifications**

An auditor may seek any clarification of the RFP Document through the e-Procurement Portal before the date and time stipulated in TIS. This deadline shall not be extended in case of any intervening holidays. No other means of submission of queries shall be entertained.



### 3. Eligibility and Qualification Criteria for Participation in this RFP

The shortlisted Auditor must continue to meet the eligibility and qualification criteria based on which they were shortlisted by C&AG as of the date of his Proposal submission and should continue to meet these criteria till the award of the contract. Also Auditor has to meet the following minimum qualification criteria and should submit the declaration and requisite documents as mentioned in form T-6.

- Minimum of 5 full time practicing CA partners with the Audit firm.
- Should have minimum receipt or annual turnover of Rs 2 Cr and more in each of the previous three financial years (i.e. 2021-22, 2022-23 and 2023-24).
- Age of the Auditing firm/LLP should be of minimum 10 years as on 31.03.2024.
- Firm shall have presence in Delhi and Mysore/Bengaluru.

### 4. Pre-Proposal Conference:

If indicated in Tender Information Summary (TIS), Auditors are requested to attend a Pre-Proposal conference to clarify the RFP's technical requirements and commercial conditions at the time, date, and place mentioned therein. A form for authorisation to Attend Pre-Proposal Conference must be submitted through one day before pre-proposal conference.

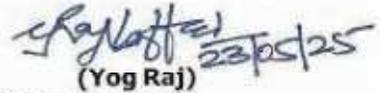
### 6. Submission of Proposals:

Proposals must be uploaded by the submission deadline mentioned in TIS. If the office happens to be closed on that date, this deadline shall not be extended. Further details are given in Instructions To Auditors. (ITA)

### 7. Proposal Opening

Proposals received shall be opened online on or after the specified date and time in TIS. If the office is closed on the specified date of opening of the Proposals, the opening shall be done on the next working day at the same time.

Note: For further details, please refer to appended TIS and the complete RFP Document.

  
(Yog Raj)

Director (Internal Audit)  
auditdivision.dte@indiapost.gov.in

Appendix: Tender Information Summary (TIS)

## Appendix to RFPL: Tender Information Summary (TIS)

RFP Document No. RFP No./ RFP/IA-NPS/2024-25

Tender Title: Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025

(Ref ITA-clause 1.4)

Shortlisted top Six (6) C&AG empaneled Chartered Accountant firms/LLPs that have been assessed as highly competent and possess operational branches in both New Delhi and Bengaluru/Mysore		
Sr. No.	Auditors	Address
1.	B S D & CO	ANTRIKSH BHAWAN, 22, KASTURBA GANDHI MARG, NEW DELHI
2.	RAO & EMMAR	HARI NAGAR, NEW DELHI
3.	RAJVANSHI & ASSOCIATES	C 2B/92B JANAK PURI, NEW DELHI
4.	GUPTA NAYAR & CO	SECTOR-10, ROHINI, NEW DELHI
5.	A S A & ASSOCIATES	ADCHINI, AUROBINDO MARG, NEW DELHI
6.	P K F SRIDHAR & SANTHANAM	OKHLA PHASE 1, NEW DELHI

Tender Information Summary (TIS)			
1.0 Basic Tender Details			
Tender Title/ Name of Assignment	Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025 Auditor		
Tender Reference Number	RFP/IA-NPS/2024-25	Tender ID	
Tender Type	RFP - Limited Tender	Tender Category	Services
No. of Covers	Two Covers	Product Category	Auditing
Selection Method	LCS – Least Cost Selection	Appointing Authority for Arbitration	Secretary, Department of Posts

Form of BOQ/ Contract	Lump sum (As mentioned in Para 4.2 under Section II, ITA of RFP)		
Organisation:	Department of Posts, Ministry of Communications	Department of Posts:	Internal Audit Division
Authority on whose behalf RFP is invited	President of India	Through the	Director (Internal Audit)
Tender Inviting Authority (TIA)	Director (Internal Audit)	Address	Room No. 404, Fourth Floor, Dak Bhawan, Department of Posts, New Delhi - 110001
<b>2.0 Critical Dates (ITA-clauses 6, 7; 8; 9, and 10)</b>			
For the schedule of dates for the Pre-proposal Conference, if any, please refer to Section 5.0 below			
Published Date	23/05/2025  17:30 Hrs	Proposal Validity (Days from the date of Proposal Opening) – ITA-clause 8.3	120 days
Document Download Start Date & Time	23/05/2025  17:30 Hrs	Document Download End Date & Time	16/06/2025  23:00 Hrs
Clarification Start Date & Time	23/05/2025  17:30 Hrs	Clarification End Date & Time	30/05/2025  17:30 Hrs
Proposal Submission Start Date & Time	09/06/2025  17:30 Hrs	Proposal Submission Closing Date & Time	18/06/2025  18:00 Hrs
Proposal Opening (technical Proposal) Date & Time	20/06/2025  11:00 Hrs		
Technical Proposal Presentation / Customers Testimonials	23/06/2025 15:00 Hrs.	Proposal Opening (Financial Proposal) Date & Time	26/06/2025 11:00 Hrs.
<b>3.0 Terms of Reference (ITA-Clause 4)</b>			
Consignee/ State:	Pan India		

Period of Contract	The contract period shall be fixed as <b>12 months from the effective date of signing contract.</b>	
Service Details:	Auditing Services for DoP	
<b>4.0 Obtaining the RFP Document and clarifications (ITA-Clause 6)</b>		
E-Procurement and Department of Posts Portal and helpdesk	<a href="https://eprocure.gov.in/e-procure/app">https://eprocure.gov.in/e-procure/app</a>	
	<a href="http://www.indiapost.gov.in">www.indiapost.gov.in</a>	
Cost of RFP Document (INR)	Nil	
Office/ Contact Person/ email for clarifications	Shri Yog Raj, Director (Internal Audit) e-mail: <a href="mailto:auditdivision.dte@indiapost.gov.in">auditdivision.dte@indiapost.gov.in</a>	
<b>5.0 Pre-Proposal Conference (ITA-clause 7)</b>		
Is a Pre-Proposal Conference proposed to be held?	Yes	
Place, time, and date of the Pre-Proposal Conference	09/06/2025 at 16:00 Hrs.  at Dak Bhawan	
Date & Time before which Written queries for the Pre-proposal conference must be received	03/06/2025 at 16:00 Hrs	
Date & Time before which registration of participants for the Pre-Proposal conference must be received	06/06/2025 at 16:00 Hrs	
<b>6.0 Preparation and Submission and Opening of Proposals (ITA-clause 8, 9 and 10)</b>		
Proposals to be addressed to	President of India, through Director Internal Audit, Internal Audit Division	
Instructions for Online Proposal Submission	<a href="https://etenders.gov.in/eprocure/app?page=HelpForContractors&amp;service=page">https://etenders.gov.in/eprocure/app?page=HelpForContractors&amp;service=page</a>	

Language of Submission	English	Bid Validity	120 days from opening date
Proposal Opening Place	On e-procurement portal(s) mentioned above at Room No. 441-F, Fourth Floor, Dak Bhawan, New Delhi – 110001		
<b>7.0 Documents relating to Bid Security (ITA- Clause 8.4) and Performance Security (ITA-clause 13.1.2)</b>			
Bid Security (EMD) Amount in INR:	Rs. 1,26,720 /-	Is Bid Securing Declaration permitted in lieu of Bid Security	No
Performance Security	5% of contract value	Bid/ Performance Security to be addressed/ in favour of	Director (Internal Audit), Internal Audit Division, Department of Post
Form of Bid/ Performance Security	a) Insurance Surety Bonds or b) Account Payee Demand Draft or c) Fixed Deposit Receipt or d) Banker's cheque or Bank Guarantee including e-Bank Guarantee from/ confirmed by any of the commercial banks in the format specified in Form T-8, or e) Payment online in an acceptable form, safeguarding the purchaser's interest in all respects		

*gaj*

## **Section II: Instructions to Auditors (ITA)**

### **1. The RFP Document**

#### **1.1. Basic Tender Details**

This 'RFP Document' Document (hereinafter referred to as 'the RFP Document') details the terms and conditions for entering a contract for delivery of the Auditing Services (hereinafter called 'the Services') described in Section VI: "Terms of Reference". The 'Services' may include incidental Goods, Works, and other Services if so indicated. In this RFP Document, any generic reference to 'Services' shall be deemed to include such incidental Goods, Works, and other Services. Proposals are invited exclusively from the top 6 Auditors shortlisted exclusively from a list of C&AG empaneled Chartered Accountant firms/LLPs that have been assessed as highly competent and possess operational branches in both New Delhi and Bengaluru/Mysore (please see TIS for reference).

#### **1.2. Interpretations, Definitions, Abbreviations and Document Conventions**

Section IV: General Conditions of Contract (GCC), details tenets of interpretation (GCC-clause 1.1), definitions (GCC-clause 1.2), document conventions (GCC-clause 1.3) and abbreviations (GCC-clause 1.4), which shall also apply to the rest of the RFP Document.

#### **1.3 Overview of Contents**

- 1) Unless otherwise stipulated in AITA, the Sections, Forms and Formats comprising this RFP Document are described in ITA-clauses 1.4, 1.5 and 1.6 below. A separate BOQ file for Financial Proposal on the e-Procurement Portal is also part of this RFP Document. Any generic reference to RFP Document shall also imply a reference to any/ all the sections, Forms, Formats and the BOQ file or other files that comprise this RFP Document.
- 2) Auditors must submit the Proposal in the Forms/ Formats mentioned in ITA-clauses 1.5 and 1.6 below (as relevant).

#### **1.4 Sections of the RFP Document**

##### **1.4.1 Sections of the RFP Document**

Unless otherwise stipulated in AITA, the RFP Document contains the following sections, which are described in subsequent sub-clauses:

- 1) Section I: Request for Proposal Letter (RFPL) and its Appendix: Tender Information Summary (TIS)
- 2) Section II: Instructions to Auditors (ITA)
- 3) Section III: Appendix to Instructions to Auditors (AITA)
- 4) Section IV: General Conditions of Contract (GCC)



- 5) Section V: Special Conditions of Contract (SCC)
- 6) Section VI: Terms of Reference
  - a) Section VI-A: List of Key Experts and Required Qualifications
- 7) Section VII: Evaluation/ Scoring Criteria

**1.4.2 Section I: Request for Proposal Letter (RFPL) and its Appendix: Tender Information Summary (TIS)**

Section I – Request for Proposal Letter (RFPL) and its Appendix – Tender Information Summary (TIS) provides a synopsis of information relevant for An auditor to decide on participating in the RFP.

**1.4.3 Section II: Instructions to Auditors (ITA) and Section III: Appendix to Instructions to Auditors (AITA)**

**Section II:** "Instructions to Auditors" (ITA), along with **Section III:** "Appendix to Instructions to Auditors (AITA)", provides the relevant information as well as instructions to assist the Auditors in preparing their proposals. It also includes the mode and procedure adopted for receipt/ opening, evaluation of Proposals, and contract award. In case of a conflict, provisions of AITA shall prevail over those in the ITA. Any generic reference to ITA shall also imply a reference to AITA as well.

**1.4.4 Section IV: General Conditions of Contract (GCC) and Section V: Special Conditions of Contract (SCC)**

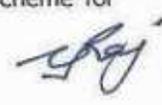
**Section IV** – General Conditions of Contract (GCC) and **Section V** – Special Conditions of Contract (SCC) describe the conditions governing the resulting contract. In case of a conflict, provisions of the SCC shall prevail over those in the GCC. Any generic reference to GCC shall also imply a reference to SCC as well. In case of any conflict, provisions of GCC/ SCC shall prevail over those in ITA/ AITA.

**1.4.5 Section VI: Terms of Reference (TOR) and Section VI-A: List of Key Experts and Required Qualifications**

**Section VI:** Terms of Reference describe the background, purpose/ objectives, description/ scope, deliverables / outcomes, timelines, Department of Posts inputs etc. **Section VI-A:** 'List of Key Experts and Required Qualifications' describes the team composition and professional qualifications required for each Key Experts. Any generic reference to TOR shall imply a reference to **Section VI-A:** 'List of Key Experts and Required Qualifications' as well.

**1.4.6 Section VII: Evaluation/ Scoring Criteria**

- 1) **Section VII** – Evaluation/ Scoring Criteria stipulates the scoring scheme for



evaluating various Technical criteria. These may cover scoring of criteria relating to the Auditor's experience, Technical Approach and Methodology, understanding of requirements, qualification and experience of Key Experts, transfer of knowledge etc. It may also lay down a minimum technical score to qualify for the next stage of Financial Evaluation.

- 2) Auditors must fill up the following Forms regarding this Section:
  - a) Form T-3: Understanding of the context and challenges in Department of Posts, Description of Methodology in responding to the Terms of Reference and Plan for Transfer of Knowledge
  - b) Form T-4: Presentation
  - c) Form T-5: Key Experts' Curriculum Vitae (CV)

### **1.5 Forms (To be filled, digitally signed, and uploaded by Auditors)**

Please refer to ITA-clause 1.4 above to relate the following forms to the corresponding Sections.

#### **1) Technical Proposal:**

- a) Form T-1 : Proposal Form (To serve as a covering letter to both the Technical and Financial Proposals)
- b) Form T-2 : Clarification on Scope of Work/Terms of Reference
- c) Form T-3 : Understanding of the context and challenges in Department of Posts, Description of Methodology in responding to the Terms of Reference and Plan for Transfer of Knowledge
- d) Form T-4 : Presentation
- e) Form T-5 : Key Experts' Curriculum Vitae (CV)
- f) Form T-6 : Qualification Criteria for Auditing Firm.
- g) Form T-7 : Checklist for Auditors.
- h) Form T-8 : Bank Guarantee Format for Earnest Money Deposit

#### **2) Financial Proposal**

The financial proposal is to be submitted in a separate file available on the e-Procurement Portal.

### **1.6 Other Formats**

Format 1: Authorisation to Attend Pre-Proposal Conference. (To be filled up and submitted the format at least one day before Pre-Proposal Conference through eMail).

## **2. Department of Posts - Rights and Disclaimers**

### **2.1. Department of Posts**



Proposals are to be addressed to the President of India through the Director (Internal Audit), Internal Audit Division in the Department of Post (headed by the Secretary (Post)). The Tender Inviting Authority (TIA) is the designated officer for uploading and clarifying this RFP Document. The contract may designate, as required, a counterpart Contract Manager (or Contract Management Team); and Paying authority who shall discharge the designated function during contract execution.

**2.2. Right to Intellectual Property and confidentiality:**

- 1) The RFP Document and associated correspondence are subject to copyright laws and shall always remain the property of Department of Posts and must not be shared with third parties or reproduced, whether in whole or part, without Department of Posts prior written consent.
- 2) This condition shall also apply to Auditors who do not submit a Proposal after downloading it or are not awarded a contract.
- 3) The obligation of the Auditors under sub-clauses above, however, shall not apply to information that:
  - a) now or hereafter is or enters the public domain through no fault of Auditor;
  - b) is legally possessed by Auditor at the relevant time and was not previously obtained, directly or indirectly, from Department of Posts; or
  - c) otherwise lawfully becomes available to Auditor from a third party with no obligation of confidentiality.
- 4) The provisions of this clause shall survive completion or termination for whatever reason of the Procurement Process or the contract.

**2.3. Right to Reject any or all Proposals**

Department of Posts reserves its right to accept or reject any or all Proposals, abandon/ cancel the Procurement Process, and issue another EOJ/ RFP for the same or similar Services before the award of the contract. It would have no liability to the affected Auditor(s) or any obligation to inform them of the grounds for such action(s).

**2.4. Disclaimers**

**2.4.1 Regarding the Purpose of the RFP Document**

The RFP Document is neither an agreement nor an offer to the prospective Auditor(s) or any other party. The purpose of the RFP Document is to provide the Auditor(s) with information to assist them in participation in this Procurement Process.

**2.4.2 Regarding Documents/ guidelines**

The RFP Document, ensuing communications, and Contracts shall determine the legal and commercial relationship between the Auditors and Department of Posts. No other Government or Department of Posts' document/ guidelines/ Manuals, including its Procurement Manual (for internal and official use of its officers),

notwithstanding any mention thereof in the RFP Document, shall have any locus-standii in such a relationship. Therefore, such documents/ guidelines/ Manuals shall not be admissible in legal or dispute resolution or grievance redressal proceedings.

#### **2.4.3 Regarding Information Provided**

Information contained in the RFP Document or subsequently provided to the Auditor(s) is on the terms and conditions set out in the RFP Document or subject to which that was provided. Similar terms apply to information provided verbally, in the documentary, or any other form, directly or indirectly, by Department of Posts, its employees, or associated agencies.

#### **2.4.4 Regarding RFP Document:**

- 1) The RFP Document does not purport to contain all the information Auditor(s) may require. It may not address the needs of all Auditors. They should conduct due diligence, investigation, and analysis, check the information's accuracy, reliability, and completeness, and obtain independent advice from appropriate sources. Information provided in the RFP Document to the Auditor(s) is on various matters, some of which may depend upon interpreting the law. The information given is not an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. Department of Posts, its employees and other associated agencies accept no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.
- 2) Department of Posts, its employees and other associated agencies make no representation or warranty for the accuracy, adequacy, correctness, completeness or reliability of any assessment, assumption, statement, or information in the RFP Document. They have no legal liability, whether resulting from negligence or otherwise, for any loss, damages, cost, or expense arising from/ incurred/ suffered, howsoever caused, to any person, including any Auditor, on such account.

### **3. Auditors – Participation in this RFP process**

#### **3.1.1 Eligibility to Participate**

- 1) As the RFP following the earlier exclusively shortlisted top Six (6) C&AG-empaneled Chartered Accountant firms/LLPs that have been assessed as highly competent and possess operational branches in both New Delhi and Bengaluru/Mysore, this invitation is open only to Auditors who have been shortlisted therein or are specifically invited to participate. It is not permissible for the shortlisted Auditors to transfer this RFP to any other firm without the permission of Department of Posts. Proposals from Auditors who have not been shortlisted shall not be entertained.
- 2) **Continued Eligibility:**
  - a) The shortlisted Auditor must continue to meet the eligibility criteria based

on which they have been shortlisted by C&AG, including restrictions on Auditors from specified countries as of the date of his Proposal submission and should continue to meet these till the award of the contract. Auditors shall be required to declare continued fulfilment of Eligibility Criteria in Form T-1 'Proposal Form (Covering Letter)' and T-6. Auditors must provide evidence of their continued eligibility to Department of Posts as mentioned in form T-6.

- b) Furthermore, it is the Auditor's responsibility to ensure that its Experts, joint venture members, Sub-Auditors, agents (declared or not), service providers, suppliers and/or their employees similarly continue to meet such eligibility criteria.

### 3) Change in Structure or Associations:

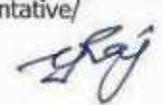
- a) **Changes in Structure:** Any change in the structure, formation, eligibility, or qualifications of a shortlisted Auditor after being shortlisted/ invited to bid before submitting Proposals shall be subject to the written approval of Department of Posts.
- 4) **Participation in only one Proposal:** The shortlisted Auditor shall not participate in more than one Proposal in this RFP Process.
- 5) **Sub-contracting:** The Auditor shall not subcontract the whole of the Services to sub-Auditors.

#### 3.1.2 Conflict of Interest

The Auditor must provide professional, objective, and impartial advice, holding the Procuring Organisation's interests paramount at all times, and shall not try to get benefits beyond the legitimate payments and credentials in the contract. He should strictly avoid conflicts with other assignments or their corporate interests. Auditors must disclose to Department of Posts in Form T-1 'Proposal Form (Covering Letter)' any actual or potential conflict that impacts its capacity to serve the best interest of the Procuring Organisation. Failure to disclose such situations shall be treated as a violation of the Code of Ethics (ITA-Clause 15) and shall attract penalties mentioned therein. Proposals found to have a conflict of interest shall be rejected as non-responsive. Without limitation on the generality of the preceding, An auditor in this Procurement Process shall be considered to have a conflict of interest if the Auditor:

#### 1. Conflicting Associations:

- a) Directly or indirectly controls, is controlled by or is under common control with another Auditor; or
- b) Receives or has received any direct or indirect subsidy/ financial stake from another Auditor; or
- c) Has the same correspondence address or same legal representative/



- agent as another Auditor for purposes of this proposal; or
- d) Has a relationship with another Auditor, directly or through common third parties, that puts it in a position to have access to information about or influence the Proposal of another Auditor or influence the decisions of Department of Posts regarding this Procurement Process; or
- 2) **Unfair Competitive Advantage and Conflicting Activities:** Had (or any of its Affiliates) been engaged by Department of Posts to provide goods, works, or services for a project, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or services. Conversely, a firm (or any of its Affiliates) hired to provide consulting services for the preparation or implementation of a project shall be disqualified from subsequently providing goods or works or services resulting from or directly related to the consulting services for such preparation or implementation.
  - 3) **Conflicting Assignments:** Would (including its Experts and Sub-Auditors) or any of its Affiliates be or are providing Auditing services in another assignment for the same or another Department of Posts that, by its nature, may conflict with this assignment.
  - 4) **Commissions and Gratuities:** The Auditor shall disclose any commissions or fees that may have been paid or are to be paid to agents, representatives, or commission agents concerning the selection process or execution and performance of the resulting Contract. The information disclosed must include the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.
  - 5) **Conflicting Relationships:** Has close business/family relationship with a staff of the Procuring Organisation who are/would be directly/indirectly involved in any of the following activities:
    - a) preparation of the RFP document or TOR of the Procurement Process
    - b) evaluation of Proposals or award of Contract, or
    - c) implementation/ supervision of the resulting Contract

#### 4 The Terms of Reference (TOR) Form of Contract

##### 4.1. Facilities to be provided by Department of Posts

Utilities or facilities (i.e. Workspace, Furniture etc.) shall be provided by Department of Posts to the Auditor during the period of audit in the concerned office. Transport Allowances shall not be provided by Department of Posts to the Auditor. Department of Posts will provide office accommodation at New Delhi/NCR, Mysore/Bangalore if required, to the selected Auditor during the period of audit at the office concerned. The Employer will also provide the data and reports necessary for the project.

##### 4.2. Forms of BOQ/ Contract and Selection Method



The evaluation of proposals and the resulting contract will be based on the lump sum amount for the total contract period, excluding taxes, as specified in the Bill of Quantities (BOQ) and in accordance with the selection method outlined in ITA Clauses 11 and 12.

#### **Selection Method**

1. The selection method applicable in this RFP shall be Least Cost Selection (LCS).
2. Please refer to ITA-Clause 11 and 12 for details.

#### **4.3. Inputs of Key Experts**

- 4.3.1 Auditor shall not propose alternative Key Experts. Only one CV shall be submitted for each Key Expert position. Failure to comply with this requirement shall make the Proposal non-responsive.

### **5 Proposal Prices, Taxes and Duties**

#### **5.1 Prices**

##### **5.1.1 Competitive and Independent Prices**

- a) The prices should be arrived at independently, without restricting competition, any consultation, communication, or agreement with any other Auditor or competitor relating to:
  1. those prices; or
  2. the intention to submit an offer; or
  3. the methods or factors used to calculate the prices offered.
- b) The prices should not be knowingly disclosed by the Auditor, directly or indirectly, to any other Auditor or competitor before the Financial Proposal opening unless otherwise required by law.

##### **5.1.2 Price Components**

Auditor shall indicate in the Price Schedule prices/ rates against all the specified components, including the unit prices and total Proposal prices.

##### **5.1.3 Price Schedule**

- 1) Auditors are to upload only the downloaded BOQ (in excel format) after entering the relevant fields without any alteration/ deletion/ modification of other portions of the excel sheet. All the columns in the price schedule should be filled up as required. If any column does not apply to An auditor, he should clarify the same.
- 2) Auditors shall fill in rates other than zero value in the specified cells without



leaving them blank.

- 3) The quoted price shall be considered to include all relevant financial implications, including inter-alia the scope of the Services to be delivered and the incidental goods/ works to be supplied, location of the Auditor, site(s) of the delivery of Services, terms of delivery, extant rules and regulations relating to taxes, duties, customs, transportation, environment, labour, Mining & Forest of the Auditor's country and in India.

#### **5.1.4 Provisions of GST**

- 1) Break up of different price elements, i.e., as per GST Act, shall be indicated separately, along with its associated HSN code and GST rate.
- 2) While quoting the basic rate, the Auditor should offset the input credit available as per the GST Act.

#### **5.1.5 Currencies of Proposal and Payment**

- 1) The Auditor's currency of Proposal and payment shall be quoted entirely in Indian Rupees. All payments shall be made in Indian Rupees only.

#### **5.1.6 Non-compliance**

Tenders, where prices are quoted in any other way, shall be rejected as non-responsive.

### **5.2 Firm/ Variable Price**

#### **5.2.1 Firm Price**

Unless otherwise stipulated in the AITA, prices quoted by the Auditor shall remain firm and fixed during the currency of the contract and not subject to variation on any account.

### **5.3 Taxes**

The Auditor and its Sub-Auditors and Experts are responsible for meeting all tax liabilities arising from the Contract.

#### **5.3.1 GST Registration Status:**

All the Auditors should ensure that they are GST compliant and that their quoted tax structure/ rates are as per GST Act/ Rules.

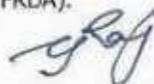
### **5.4 Payments**

#### **5.4.1 General**

The Auditor shall submit invoices for payment in accordance with the deliverables and approval stages specified below. Payments shall be released based on submission and approval of audit deliverables for each of the three financial years covered under the contract. The following payment schedule shall apply:

##### **a. For FY 2022-23:**

60% of 30% of the contract value shall be paid upon submission of the complete set of audit deliverables (monthly and consolidated annual report). Remaining 40% of 30% of the contract value shall be paid upon formal acceptance and approval of the said audit report by the Pension Fund Regulatory and Development Authority (PFRDA).



b. For FY 2023–24:

60% of 30% of the contract value shall be paid upon submission of the audit deliverables for FY 2023–24. Remaining 40% of 30% of the contract value shall be paid after formal approval by PFRDA.

c. For FY 2024–25:

60% of 40% of the contract value shall be paid upon submission of audit deliverables for FY 2024–25. Remaining 40% of 40% of the contract value shall be paid after formal approval by PFRDA.

### **No Advance Payments**

Department of Posts shall make no advance payment of any type (Mobilization, secured advances, etc.).

## **6 Downloading the RFP Document; Corrigenda and Clarifications**

### **6.1. Downloading the RFP Document**

The RFP document can be downloaded as per the details given in RFPL clause 2.2.

### **6.2. Corrigenda/ Addenda to RFP Document**

- 1) Before the deadline for submitting Proposals, Department of Posts may update, amend, modify, or supplement the information, assessment or assumptions contained in the RFP Document by issuing corrigenda and addenda. The corrigenda and addenda shall be published in the same manner as the original RFP Document. Without any liability or obligation, the Portal may send intimation of such corrigenda/ addenda to Auditors who have downloaded the document under their login. However, the Auditors must check the website(s) for any corrigenda/ addenda. Any corrigendum or addendum thus issued shall be considered a part of the RFP Document.
- 2) To give reasonable time to the prospective Auditors to take such corrigendum/ addendum into account in preparing their Proposals, Department of Posts may suitably extend the deadline for the Proposal submission as necessary. After Department of Posts makes such modifications, any Auditor who has submitted his Proposal in response to the original invitation shall have the opportunity to either withdraw his Proposal or re-submit his Proposal superseding the original Proposal within the extended time of submission as per ITA-clause 9.4.1 below.
- 3) Department of Posts may extend the deadline for the RFP submission by issuing an amendment. In this case, all rights and obligations of Department of Posts and the Auditors previously subject to the original deadline shall then be subject to the new deadline for the RFP submission.

### **6.3. Clarification of the RFP Document**

As detailed in RFPL clause 2.3, An auditor requiring any clarification regarding the RFP Document may seek clarification through e-Procurement Portal no later than **07 days** after publishing date of the RFP document in the Portal. The query and clarification shall be shared with all Auditors on the portal without disclosing its source. If a modification of the RFP document is warranted due to such clarification, an addendum/ corrigendum shall be issued as per ITA-Clause 6.2 above.

## **7 Pre-Proposal Conference**

- 1) If a Pre-Proposal conference is stipulated in the TIS, prospective Auditors interested in participating in this tender may attend a Pre-Proposal conference



- to clarify the technical proposal conditions of the RFP at the venue, date and time specified therein.
- 2) Participation is not mandatory: However, if an auditor chooses not to (or fails to) participate in the Pre-Proposal conference or does not submit a written query, it shall be assumed that they have no issues regarding the technical proposal conditions.
  - 3) The date and time by which the written queries for the Pre-Proposal must reach the authority and the last date for registration for participation in the Pre-Proposal conference are also mentioned in the TIS. If the dates are not mentioned, such date and time shall be 3 days before the date and time of the pre-Proposal conference.
  - 4) Delegates participating in the Pre-Proposal conference must provide a photo identity and an authorization letter as per Format 1: "Authorization to attend a Pre-Proposal Conference" from their Company/ principals; else, they shall not be allowed to participate. The pre-Proposal conference may also be held online at the discretion of Department of Posts.
  - 5) After the Pre-Proposal Conference, Minutes of the Pre-Proposal conference shall be published on Department of Posts' portal within seven days from the Pre-Proposal Conference. If required, a clarification letter and corrigendum to RFP Document shall be issued, containing amendments to various provisions of the RFP Document. As per ITA-clause 6.2 above, to give reasonable time to the prospective Auditors to consider such clarifications in preparing their Proposals, Department of Posts may suitably extend, as necessary, the deadline for the Proposal submission.

## **8 Preparation of Proposals**

### **8.1 The Proposal**

#### **8.1.1 Language of the Proposal**

Unless otherwise stipulated in the AITA, the Proposal submitted by the Auditor and all subsequent correspondence and documents relating to the Proposal exchanged between the Auditor and Department of Posts shall be written in the language specified in the AITA /SCC (hereinafter referred to as the 'Proposal Language'). If nothing is specified, the language shall be English.

#### **8.1.2 Interpretation of Provisions of the RFP Document**

The RFP document's provisions must be interpreted in the context in which these appear. Any interpretation of these provisions far removed from such context, contrived, or between-the-lines interpretation is unacceptable.

#### **8.1.3 Alternate Proposals are not Allowed.**

Unless otherwise stipulated in the AITA, conditional offers, alternative offers, and



multiple Proposals by An auditor shall not be considered. The Portal shall permit only one Proposal to be uploaded.

## **8.2. Documents comprising the Proposal:**

### **8.2.1 Technical proposal/ Cover**

"Technical Proposal" shall include inter-alia the scanned copies of duly signed or digitally signed copies of forms as per ITA-Clause 1.5 in pdf format. The Technical Proposal shall not include any financial information. A Technical Proposal containing material financial information shall be declared non-responsive.

### **8.2.2 Financial Proposal/ Cover**

**"Financial Proposal" shall comprise the Price Schedule (Submitted separately as an excel sheet) available on the eProcurement Portal.**

## **8.3. Proposal Validity**

- 1) Proposals shall remain valid for a period not less than 120 days from the Proposal opening date. A Proposal valid for a shorter period shall be rejected as non-responsive.
- 2) In case the day upto which the Proposals are to remain valid falls on/ subsequently declared a holiday or closed day for Department of Posts, the Proposal validity shall automatically be deemed to be extended upto the next working day.
- 3) In exceptional circumstances, before the expiry of the original time limit, Department of Posts may request the Auditors to extend the validity period for a specified additional period. The request and the Auditors' responses shall be made in writing or electronically.
  - a) The Auditor has the right to refuse to extend the validity of its Proposal, in which case such Proposal shall not be further evaluated.
  - b) If the Auditor agrees to extend the validity of its Proposal, it shall be done without any change in the original Proposal and with the confirmation of the availability of the Key Experts.
  - c) If any Key Experts become unavailable for the extended validity period, the Auditor shall seek permission to substitute another Key Expert. The Auditor shall provide adequate written justification and evidence to Department of Posts with the substitution request. In such case, a substitute Key Expert shall have equal or better qualifications and experience than the originally proposed one. The technical evaluation score, however, shall remain based on the evaluation of the CV of the original Key Expert.
  - d) If the Auditor fails to provide a substitute Key Expert with equal or better qualifications, or if the provided reasons for the replacement or justification are unacceptable to Department of Posts, such Proposal shall



be rejected.

#### 8.4. Bid Security - Related Documents

- 2) **EMD as Bid Security: EMD of Rs. 1,26,720 /- (Rupees One Lakh Twenty Six Thousand and Seven Twenty only) must be deposited by the Auditor as Earnest Money Deposit (EMD).**
- 3) **Modalities of EMD:** It shall be in favour of the Account specified in TIS and shall be furnished in one of the following modalities valid for forty-five days beyond the validity of the proposal:
  - a) Insurance Surety Bonds or
  - b) Account Payee Demand Draft or
  - c) Fixed Deposit Receipt or
  - d) Banker's cheque or Bank Guarantee including e-Bank Guarantee from/ confirmed by any of the commercial banks in the format specified in Form T-8, or
  - e) Payment online in an acceptable form, safeguarding the purchaser's interest in all respects
- 4) **Forfeiture of EMD:** EMD shall be forfeited if the Auditor breaches any of the following obligation(s) under the RFP:
  - (a) withdraws or amends his Proposal or impairs or derogates from the Proposal in any respect within the period of validity of its Proposal; or
  - (b) after having been notified within the period of Proposal validity of the acceptance of his Proposal by Department of Posts:
    - i) refuses to or fails to submit the original documents for scrutiny or the required Performance Security within the stipulated time as per the RFP document's conditions.
    - ii) fails or refuses to sign the contract.
- 5) **Return of EMD :** Unsuccessful Auditors' EMD shall be returned to them without any interest not later than thirty days after the conclusion of the resultant contract. Successful Auditor's EMD shall be returned without any interest after receipt of performance security from them.

## 9 Signing and Uploading Proposals

### 9.1. Relationship between Auditor and eProcurement Portal

Department of Posts is neither a party nor a principal in the relationship between the Auditor and the organisation hosting the e-procurement portal (hereinafter called the Portal). Auditors must comply with the rules, regulations, procedures, and implied conditions/ agreements of the eProcurement portal, including registration, compatible Digital Signature Certificate (DSC) etc. Auditors shall settle clarifications



and disputes, if any, regarding the Portal directly with them. In case of conflict between provisions of the Portal with the RFP Document, provisions of the Portal shall prevail. Auditors may study the resources provided by the Portal for Auditors.

## **9.2. Signing of Proposal**

The individual signing/ digitally signing the Proposal or any other connected documents should submit an authenticated copy of the document(s), which authorizes the signatory and submit Proposals on behalf of the Auditor along with Form T-1: Proposal Form (Covering Letter).

## **9.3. Submission/ uploading of Proposals.**

### **9.3.1 Submission/ Uploading to the Portal**

Further to details mentioned in RFPL clause 6:

- 1) Proposals must be uploaded on the e-Procurement Portal mentioned in the TIS until the deadline for the Proposal submission as notified therein. If the office happens to be closed on the deadline to submit the Proposal as specified above, this deadline shall not be extended. No manual Proposals shall be made available or accepted for submission. Proposals submitted through modalities other than those stipulated in TIS shall be liable to be rejected as non responsive.
- 2) In the case of downloaded documents, the Auditor must not make any changes to the contents of the documents while uploading, except for filling in the required information— otherwise, the Proposal shall be rejected as non responsive. Uploaded Pdf documents should not be password protected. Auditors should ensure the clarity/ legibility of the scanned documents uploaded by them.
- 3) The date and time of the e-Procurement server clock (also displayed on the dashboard of the Auditors) shall be the reference time for deciding the closing time of the Proposal submission. Auditors are advised to ensure they submit their Proposal within the deadline of submission, taking the server clock as a reference, failing which the portal shall not accept the Proposal. No request on the account that the server clock was not showing the correct time and that a particular Auditor could not submit their Proposal because of this shall be entertained. Failure or defects on the internet or heavy traffic at the server shall not be accepted as a reason for a complaint. Department of Posts shall not be responsible for any failure, malfunction or breakdown of the electronic system used during the e-Tender process.
- 4) Only one copy of the Proposal can be uploaded, and the Auditor shall digitally/ Physically sign all statements, documents, and certificates uploaded by him, owning sole and complete responsibility for their correctness/ authenticity as per the IT Act 2000 as amended from time to time.
- 5) Originals/scanned copy of the EMD/ Bid Security instrument must be submitted sealed in double cover and acknowledgement be obtained before the bid submission deadline at the venue mentioned in TIS. Failure to do so is likely to



- result in the bid being rejected. If the office is closed on the deadline for such physical submission, the physical submission deadline shall stand extended to the next working day at the same time and venue.
- 6) Department of Posts reserves its right to call for verification, at any stage of evaluation, especially from the successful Auditor(s) before the issue of a Letter of Award (LoA), originals of uploaded scanned copies of documents (uploaded at REOI and in the RFP stages). If An auditor fails at that stage to provide such originals or, in case of substantive discrepancies in such documents, it shall be construed as a breach of the Code of Integrity (see clause 13 below). Such RFP proposals shall be liable to be rejected as non-responsive and other punitive actions for such a breach.
  - 7) Regarding the protected Price Schedule (excel format, Cover-2), the Auditor shall only enter his name in the space provided in the specified location. Auditor shall type rates in the figure only in the rate column of respective service(s) without any blank cell or Zero values in the rate column, without any alteration/ deletion/ modification of other portions of the excel sheet. If space is inadequate, the Auditor may upload additional documents under "Additional Documents" in the "Proposal Cover Content."
  - 8) All Proposals uploaded by the Auditor to the portal shall get automatically encrypted. The encrypted Proposal can only be decrypted/ opened by the authorised persons on or after the due date and time. The Auditor should ensure the correctness of the Proposal before uploading and take a printout of the system-generated submission summary to confirm the successful Proposal upload.

### **9.3.2 Implied acceptance of procedures by Auditors**

Submission of Proposal in response to the RFP Document is deemed to be acceptance of the procedures and conditions of e-Procurement and the RFP Document.

## **9.4. Modification, Re-submission and Withdrawal of Proposals**

### **9.4.1 Modification & Re-submission**

Once submitted in e-Procurement, the Auditor cannot view or modify his Proposal since it is locked by encryption. However, re-submission of the Proposal by the Auditors for any number of times superseding earlier Proposal(s) before the submission date and time is allowed. Re-submission of a Proposal shall require uploading all documents, including the financial Proposal, afresh. The system shall consider only the last Proposal submitted.

### **9.4.2 Withdrawal**



- 1) The Auditor may withdraw his Proposal before the Proposal submission deadline, and it shall be marked as withdrawn and shall not get opened during the Proposal opening.
- 2) No Proposal should be withdrawn after the Proposal submission deadline and before the Proposal validity period expires. If An auditor withdraws the Proposal during this period, Department of Posts shall be within its right to forfeit the Bid Security, in addition to other punitive actions provided in the RFP Document for such misdemeanor as per clause 8.4 above.

## **10 Proposal Opening**

The Proposals shall be opened on or after the date & time of the opening stipulated in TIS. Proposals cannot be opened before the specified date & time, even by the Tender Inviting Officer, the Procurement Officer, or the Publisher. If the specified date of Proposal opening falls on is subsequently declared a holiday or closed day for Department of Posts, the Proposals shall be opened at the appointed time on the next working day.

## **11 Evaluation of Proposals and Award of Contract**

### **11.1. General norms**

#### **11.1.1 Evaluation is based only on criteria mentioned in Section VII (Evaluation/Scoring Criteria).**

- 1) Bidders who are eligible as per the eligibility criteria and score at least 70 marks in technical evaluation would be considered as technically qualified to be a part of Financial Bid Opening. The technical criteria is mentioned in section VII.

#### **11.1.2 Clarification of Proposals and shortfall documents**

- 1) During the evaluation of technical proposal or Financial Proposals, Department of Posts may, at its discretion, but without any obligation to do so, ask the Auditor to clarify its Proposal by a specified date. The Auditor should answer the clarification within that specified date (or, if not specified, 2 days from receiving such a request). The request for clarification shall be submitted in writing or electronically, and no change in prices or substance of the Proposal shall be sought, offered, or permitted that may grant any undue advantage to such Auditor. Any clarification submitted by An auditor regarding its Proposal that is not in response to a request by the Purchasing Entity shall not be considered.
- 2) Department of Posts reserves its right to, but without any obligation to do so, seek any shortfall information/ documents only in case of historical documents which pre- existed at the time of the Proposal Opening and which have not undergone change since then and do not grant any undue advantage to any Auditor. There is a provision on the portal for requesting Short-fall documents from the Auditors. The system allows taking the shortfall documents from



Auditors only once after the technical Proposal opening.

- 3) If the Auditor fails to provide satisfactory clarification and/or missing information, its RFP shall be evaluated based on available information and documents.

#### **11.1.3 Contacting Department of Posts during the evaluation**

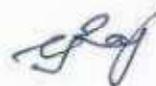
From Proposal submission to awarding of the contract, no Auditor shall contact Department of Posts on any matter relating to the submitted Proposal. If An auditor needs to contact Department of Posts for any reason relating to this tender and/ or its Proposal, it should do so only in writing or electronically. Any effort by An auditor to influence Department of Posts during the processing of Proposals, evaluation, Proposal comparison or award decisions shall be construed as a violation of the Code of Integrity, and the Proposal shall be liable to be rejected as non-responsive in addition to other punitive actions for violation of Code of Integrity as per the RFP Document.

### **11.2. Evaluation of Proposals**

#### **11.2.1 Preliminary Examination of Proposals - Determining Responsiveness**

A substantively responsive Proposal is complete and conforms to the RFP Document's essential terms, conditions, and requirements without substantive deviation, reservation, or omission. Proposals with substantive technical proposal deviations or other essential aspects of the RFP shall be rejected as non-responsive. Only substantively responsive Proposals shall be considered for further evaluation. Department of Posts reserves its right to consider and allow minor deviations in technical and Commercial Conditions. Unless otherwise stipulated in the AITA, the following are some of the crucial aspects for which a Proposal shall be rejected as non responsive:

- 1) The Proposal is not in the prescribed format or is not submitted as per the stipulations in the RFP Document.
- 2) Failure to provide and/ or comply with the required information, instructions etc., incorporated in the RFP Document or evasive information/ reply against any such stipulations.
- 3) Required Bid Security (EMD) has not been provided.
- 4) Auditor no longer complies with the eligibility criteria in the preceding C&AG shortlisting process based on which they were shortlisted for participation;
- 5) The Services offered are not eligible as per the provision of this tender.
- 6) The Auditor has quoted conditional Proposals or more than one Proposal or alternative Proposals unless permitted explicitly in the AITA.
- 7) The Proposal validity is shorter than the required period.
- 8) The Proposal departs from the essential requirements stipulated in the bidding document;
- 9) The Auditor has quoted 'Nil' Service charges/ margin over the minimum wages



in Personnel Deployment Schedule.

- 10) Non-submission or submission of illegible scanned copies of stipulated documents/ declarations.
- 11) Furnishing wrong and/ or misleading data, statement(s) etc. In such a situation, besides rejecting the Proposal as non-responsive, it is liable to attract other punitive actions under relevant provisions of the RFP Document for violating the Code of Integrity.

#### **11.2.2 The evaluation process**

Unless otherwise stated, only the technical proposal shall be opened on the stipulated date of opening of Proposals. After that, the technical evaluation shall ascertain whether these Proposals meet the requirements of the Terms of Reference, Technical Criteria and Minimum Score. Subsequent opening of financial Proposals and financial evaluation shall be done only of Proposals declared successful in technical evaluation. The evaluators of the Technical Proposals shall have no access to the Financial Proposals until the technical evaluation results are declared and Financial proposals are opened.

#### **11.3. Technical Evaluation**

##### **11.3.1 Evaluation of Technical Proposals/ Score**

Department of Posts shall evaluate the Technical proposal and assign scores as per the scheme of criteria and sub-criteria as laid down in 'Section VII: Evaluation/ Scoring Criteria'.

##### **11.3.3 Evaluation of Technical Suitable Auditors and Opening Financial Proposals**

Each responsive Proposal shall be given a technical score applying the evaluation criteria, sub-criteria, and scoring system specified in Section VII: Evaluation/ Scoring Criteria. A Proposal shall be rejected if it fails to achieve the minimum technical score indicated therein. Proposals that succeed in the above technical evaluation shall be considered technical suitable. The list of such technical suitable Auditors shall be declared on the Portal announcing a date/time for opening their financial Proposals. Financial proposals of successful Auditors only shall be opened online. The financial proposals of unsuccessful Auditors shall remain encrypted and unopened.

#### **11.4. Financial Proposals Evaluation and Ranking of Proposals**

##### **11.4.1 Financial Proposals Evaluation**

- 1) Financial Proposals of all technical suitable Proposals are evaluated based on the LCS selection method and ranked accordingly. The evaluation of proposals and the resulting contract will be based on the lump sum amount for total contract period, excluding taxes, as specified in the Bill of Quantities.



(BOQ).

2) **Correction Errors/ adjustments:**

a) **Discrepancies between Technical and Financial Proposal:**

- i) Activities and items described in the Technical Proposal but not priced in the Financial Proposal shall be assumed to be included in the prices of other activities or items, and no corrections are made to the Financial Proposal.
- ii) If a Lump-Sum contract selection method is declared in the RFP, the Auditor is deemed to have included all prices in the Financial Proposal, so neither arithmetical corrections nor price adjustments shall be made.

3) **Ambiguous Financial Proposal:** If the financial Proposal is ambiguous and leads to two equally valid total price amounts, it shall be rejected as non-responsive.

4) **Least-Cost Selection:** In the case of Least-Cost Selection (LCS), Department of Posts shall select the Auditor with the lowest evaluated total price among technical suitable proposals. If more than one Auditor has quoted the same lowest evaluated price, the Auditor with the higher Technical Score will be selected.

**11.4.2 Global Tender Enquiry (GTE, International Competitive Bidding)**

The RFP shall be only a Domestic procurement where rates are to be quoted and paid in Indian Rupees (INR) only.

## 12 Award of Contract

### 12.1 Letter of Award (Acceptance - LoA) and Signing of Contract

#### 12.1.1 Letter of Award (LoA)

The Auditor whose Proposal has been accepted shall be notified of the award by Department of Posts before the expiration of the Proposal validity period by written or electronic means. This notification (hereinafter and in the Conditions of Contract called the "Letter of Award - LoA") shall state the sum (hereinafter and in the contract called the "Contract Price") that Department of Posts shall pay the Auditor in consideration of delivery of Services. The Letter of Award (LoA) shall constitute the legal formation of the contract, subject only to the furnishing of performance security



as per the provisions of the sub-clause below. Department of Posts, at its discretion, may directly issue the contract subject only to the furnishing of performance security, skipping the issue of LoA.

#### **12.1.2 Performance Security**

- 1) The selected Auditor shall be required to furnish a performance security equivalent to 5% of the contract value rounded off to the nearest thousand Indian Rupees, to Department of Posts within 7 days of receipt of the Letter of Award (LoA, or the contract if LoA has been skipped).
- 2) If the Auditor, having been called upon by Department of Posts to furnish Performance Security, fails to do so within the specified period, it shall be lawful for Department of Posts at its discretion to annul the award and forfeit EMD, besides taking any other administrative punitive action like 'Removal from List of Registered Suppliers' etc.

#### **12.1.3 Signing of Contract**

- 1) **Publication of Results:** Department of Posts shall send to each technical suitable Auditor the Notification of Intention to Award the Contract to the successful Auditor. The Notification of Intention to Award shall contain, at a minimum, the following information:
  - a) the name and address of the Auditor with whom Department of Posts successfully negotiated a contract;
  - b) the contract price of the successful Proposal;
  - c) the names of all Auditors included in the short list for RFP, indicating those that submitted Proposals;
  - d) the final combined scores and the final ranking of the Auditors
  - e) The name and address of the successful Auditor(s) receiving the contract(s) shall be published in the Portal and notice board/ bulletin/website of Department of Posts.
- 2) After the award notification, Department of Posts shall share a copy of the Contract Agreement to a successful Auditor for review. The Auditor may point out to Department of Posts, in writing/ electronically, any anomalies noticed in the contract within seven days of receipt. The Contract Agreement shall be executed within 21 days after the date of issue of the Letter of Acceptance and after submission and verification of the Performance Security.
- 3) If asked by Department of Posts, the successful Auditor shall return the original copy of the contract, duly signed, and dated, within seven days from the date of receipt of the contract, to Department of Posts by registered/ speed post or by a suitable digital means.



### **13. Code of Integrity in Public Procurement, Misdemeanors and**

**Penalty:** Procuring authorities, Auditors, suppliers, contractors, and Auditors should observe the highest standard of integrity and not indulge in prohibited practices or other misdemeanors, either directly or indirectly, at any stage during the Procurement Process or the execution of resultant contracts. GCC-clause 13 (including the penalties prescribed therein) shall be considered part of this clause of ITA (even though it is not being reproduced here for brevity) and shall apply mutatis mutandis during the pre- award Procurement Process.



### Section III: Appendix to Instructions to Auditors (AITA)

RFP Document No. RFP No./ RFP/IA-NPS/2024-25

**Tender Title:** Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025

(Ref ITA-clause 1.4)

Note for Auditors: Following clauses (in column 1), wherever these appear in ITA (Section-II), shall be taken to be negated or additional provisions be added to, or existing provisions be altered as per column 2. Whenever there is any conflict between the provision in the ITA and that in the AITA, the provision contained in the AITA shall prevail.

ITA-Clauses	To be read as
<b>ITA 1: Contents of RFP</b>	
<b>ITA 1.3, 1.4, 1.5</b>	The formats of the Technical Proposal to be submitted are: a) Form T-1: Proposal Form – (To serve as a covering letter to both the technical and Financial Proposals) b) Form T-2: Clarification on Scope of Work/Terms of Reference c) Form T-3: Understanding of the context and challenges in Department of Posts, Description of Methodology in responding to the Terms of Reference and Plan for Transfer of Knowledge d) Form T-4: Presentation e) Form T-5: Key Experts' Curriculum Vitae (CV) f) Form T-6: Qualification Criteria of Auditing Firm g) Form T-7: Checklist for Auditors h) Form T-8: Bank Guarantee Format for Earnest Money Deposit
<b>ITA 3 Auditors - Eligibility and Preferential Policies</b>	
<b>ITA 3.1.2</b>	Shortlisted Auditors are not allowed to associate with other shortlisted/non-shortlisted Auditors Participation of Sub-Auditors, Key Experts and Non- Key Experts in more than one Proposal is not allowed
<b>ITA 4 The Terms of Reference and Form of Contract</b>	
<b>ITA 4.1</b>	Department of Posts will provide office accommodation at New Delhi/NCR, Mysore/Bangalore if required, to the selected Auditor during the period of audit in the office concerned. The Employer will also provide the data and reports necessary for the project.
<b>ITA 5. Proposal Prices, Taxes and Duties</b>	
<b>ITA 5.1.5</b>	Auditor should state the cost in Indian Rupees (INR)
<b>ITA 5.2.1</b>	Price Variation Clause is not applicable.

<b>ITA 5.4.1</b>	<p><b>Terms of Payment:</b></p> <p>The Auditor shall submit invoices for payment in accordance with the deliverables and approval stages specified below. Payments shall be released based on submission and approval of audit deliverables for each of the three financial years covered under the contract. The following payment schedule shall apply:</p> <p><b>a. For FY 2022–23:</b></p> <p><b>60% of 30%</b> of the contract value shall be paid upon submission of the complete set of audit deliverables (monthly and consolidated annual report). <b>Remaining 40% of 30%</b> of the contract value shall be paid upon formal acceptance and approval of the said audit report by the <b>Pension Fund Regulatory and Development Authority (PFRDA)</b>.</p> <p><b>b. For FY 2023–24:</b></p> <p><b>60% of 30%</b> of the contract value shall be paid upon submission of the audit deliverables for FY 2023–24. <b>Remaining 40% of 30%</b> of the contract value shall be paid after formal approval by PFRDA.</p> <p><b>c. For FY 2024–25:</b></p> <p><b>60% of 40%</b> of the contract value shall be paid upon submission of audit deliverables for FY 2024–25. <b>Remaining 40% of 40%</b> of the contract value shall be paid after formal approval by PFRDA.</p> <p>The payments shall be subject to compliance with all contractual terms, deliverable quality standards, and any other applicable conditions as specified in the agreement.</p>
<b>ITA 5.4.2</b>	Advance Payments are not applicable.
<b>ITA 6 to 10 Downloading, Preparation, Submission and Opening of Proposals</b>	
<b>ITA 8.1.1</b>	English
<b>ITA 11 to 13 Evaluation of Proposals and Award of Contract</b>	
<b>ITA 11.2.1</b>	Proposal should be complete and conforms to the RFP's Document's essential terms, conditions and requirements without substantive deviations, reservation or omission.
<b>ITA 11.4.1</b>	<p><b><i>In deciding the final selection of the Auditor under the Least Cost Selection (LCS) method:</i></b></p> <p>a) The technical proposal must meet the minimum qualifying criteria as specified in the evaluation criteria.</p> <p>b) Among the Auditors whose technical proposals meet the minimum qualifying criteria, the Auditor with the lowest financial proposal will be selected.</p>
<b>ITA 11.4.2</b>	Domestic Procurement
<b>ITA 12.1.2</b>	Performance Security to be submitted within 7 days of Letter of Award (LoA) or contract, as applicable.

## Section IV: General Conditions of Contract (GCC)

### 1. The Contract

#### 1.1. Language of Contract

The contract and all subsequent correspondence documents, during its execution, between the Auditor and Department of Posts shall be written in the English Language.

#### 1.2. Severability

If any provision or condition of this Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of the Contract or any of its other provisions and conditions.

### 2. Governing Laws and Jurisdiction

#### 2.1 Governing Laws and Jurisdiction:

- 1) This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Laws of India for the time being in force.
- 2) Courts at New Delhi shall only have jurisdiction to decide any dispute arising out or in respect of the Contract.

### 3. Communications

#### 3.1. Communications:

All communications under the contract shall be served by the parties to each other in writing, in the contract's language, and served in a manner customary and acceptable in business and commercial transactions.

#### 3.2. Persons signing the Communications

For all purposes of the contract, including arbitration, thereunder all communications to the other party shall be signed by:

- 1) **On behalf of the Auditor:** The person who has signed the contract on behalf of the Auditor shall sign all correspondences. A person signing communication in respect of the contract or purported to be on behalf of the Auditor, without disclosing his authority to do so, shall be deemed to warrant that he has authority to bind the Auditor.
- 2) **On behalf of Department of Posts:** Unless otherwise stipulated in the contract, the Contract Manager signing the contract shall administer the contract and sign communications on behalf of Department of Posts.

#### 3: Address of Procuring Authority:

Address of Procuring Authority for sending communications:  
Director (Internal Audit)  
Internal Audit Division Room  
No. 404, Fourth Floor,  
Department of Posts, Dak Bhawan, New Delhi 110001

## **4. Auditor's Obligations and restrictions on its Rights**

### **4.1 Confidentiality, Secrecy and Property and IPR Rights**

#### **4.1.1 Confidentiality**

All documents, drawings, samples, data, associated correspondence or other information furnished by or on behalf of Department of Posts to the Auditor in connection with the contract, whether such information has been furnished before, during or following completion or termination of the contract, are confidential and shall remain the property of Department of Posts and shall, without the prior written consent of Department of Posts neither be divulged by the Auditor to any third party, nor be used by him for any purpose other than the design, procurement, or other services and activities required for the performance of this Contract. If advised by Department of Posts, all copies of all such information in original shall be returned on completion of the Auditor's performance and obligations under this contract.

#### **4.1.2 Secrecy**

If the contract declares the subject matter of this Contract as coming under the Official Secrets Act, 1923 or if the contract is marked as "Secret", the Auditor shall take all reasonable steps necessary to ensure that all persons employed in any connection with the contract, have acknowledged their responsibilities and penalties for violations under the Official Secrets Act and any regulations framed thereunder.

#### **4.1.3 Property Rights**

Physical assets, e.g., Equipment, vehicles and materials made available to the Auditor by Department of Posts or purchased by the Auditor wholly or partly with funds provided by Department of Posts, shall be the property of Department of Posts and shall be marked accordingly.

### **4.2 Performance Bond/Security**

- 1) Within Seven days after the issue of the Letter of Award (LoA or the contract, if LoA is skipped) by Department of Posts, the Auditor shall furnish to Department of Posts performance security @5% of the contract price, valid up to sixty days (or any other period mentioned in RFP Document or Contract) after the date of completion of all contractual obligations by the Auditor.
- 2) The amount of Performance security @ 5% of the contract price shall be denominated in Indian Rupee shall be in one of the following forms:
  - a) Insurance Surety Bonds or
  - b) Account Payee Demand Draft or
  - c) Fixed Deposit Receipt or
  - d) Banker's cheque or Bank Guarantee including e-Bank Guarantee from/ confirmed by any of the commercial banks in the format specified in Form T-8, or



- e) Payment online in an acceptable form, safeguarding the purchaser's interest in all respects

## **5. Department of Posts's Obligations**

### **5.1 Facilities to be provided by Department of Posts**

Department of Posts will provide office accommodation at New Delhi, Mysore/Bangalore if required, to the selected Auditor during the period of audit in the office concerned. The Employer will also provide the data and reports necessary for the project

## **6. Scope of Services and Performance Standards**

### **6.1 Scope of Services:**

#### **1) Services:**

This contract is for the performance/ delivery of Services of the description, scope/ quantum outlined in Appendix A: 'Terms of Reference' during the contract period specified therein.

#### **2) Defects in Services:**

Department of Posts shall promptly notify the Auditor of any identified defects, requesting the correction of the notified defect within a reasonable time. If the Auditor has not corrected notified defect within the time stipulated in Department of Posts's notice, Department of Posts may suspend payments.

#### **3) Assist to Circle Level Auditors:**

Auditor is hired to assist at Directorate level regarding Technical guidance and policy level assistance. All Circles will also engage GST Auditor to assist Circle level issues. Any clarification on Scope of Services will be given on Pre-proposal Conference.

## **7. Deployment of Resources**

### **7.1 Key Personnel**

#### **Substitution of Key Experts:**

- a) Unless Department of Posts may otherwise agree in writing, no changes shall be made in the Key Experts.
- b) Notwithstanding the above, the substitution of Key Experts during Contract execution may be considered only based on the Auditor's written request and due to compelling or unavoidable situations outside the reasonable control of the Auditor, including but not



limited to death or medical incapacity. One-month notice to be given in advance before the substitution of key experts other than death or medical incapacity. Not more than 3 replacements are allowed in a year. The substitute shall be of equivalent or higher credentials.

## **8. Delivery Services and delays**

### **8.1. Works Plan**

1) Before the commencement of the Services, the Auditor shall submit for approval of the Contract Manager a Works plan showing the Methods, schedule of delivery of services, and deployment plans for Personnel, Equipment and Materials for the execution of the services. The programme of delivery of Services amended as necessary by discussions with the Contract Manager shall be treated as the agreed Works plan for this Contract. The Services shall be carried out and monitored as per the approved Program as updated

### **8.2 Commencement of Services**

#### **1) Effective Date of Contract:**

Auditor shall commence the Services and shall proceed with due expedition and without delay from the effective date of Contract (all dates of delivery shall be counted from such a date), which shall be the date mentioned as the effective date in the contract, or if not so mentioned: 15 days from Department of Posts' notice (unless specified otherwise) to the Auditor instructing him to begin carrying out the Services. This notice shall confirm that the effectiveness prerequisites listed in the contract have been met.

#### **2) Commencement of Services:**

Not later than the number of days after the Effective Date specified in the Contract or the Notice to proceed, the Auditor shall begin carrying out the Services.

### **8.3 Damages and Deductions Thereof**

#### **8.3.1 Right of Department of Posts to recover Damages.**

Department of Posts shall be entitled to, and it shall be lawful to recover Liquidated damages as detailed in this clause from all payments due, any Performance Security, or any retention money.

#### **8.3.2 Liquidated damages**

In the event of delay in submission of audit deliverables for any financial year beyond the specified timelines (as defined in Deliverables and Timelines), the Department of Posts shall levy liquidated damages at the rate of **0.5% of the contract value attributable to the respective financial year** per week or part thereof, for the corresponding phase of delay. Liquidated damages shall be **calculated separately for FY 2022–23 (30% of contract value), FY 2023–24 (30% of contract value), and FY 2024–25 (40% of contract value)**. The maximum liquidated damages for delay in each financial year shall be capped at **10% of the contract value attributable to that financial year**. The delay shall be calculated from the due date of submission (4, 8, and 12 months respectively from the contract date), irrespective of whether the contract is active at the time of submission. LD shall be applicable for delays in deliverables irrespective of contract expiry. LD shall be applicable for delays in deliverables irrespective of contract expiry.

### **8.4 Force Majeure**

On the occurrence of any unforeseen event beyond the control of either Party, directly interfering with the delivery of Services arising during the currency of the contract, such



as war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, or acts of God, the affected Party shall, within a week from the commencement thereof, notify the same in writing to the other Party with reasonable evidence thereof. Unless otherwise directed by Department of Posts in writing, the Auditor shall continue to perform its obligations under the contract as reasonably practicable and seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the force majeure condition(s) mentioned above be in force for 90 days or more at any time, either party shall have the option to terminate the contract on expiry of 90 days of commencement of such force majeure by giving 14 days' notice to the other party in writing. In case of such termination, no damages shall be claimed by either party against the other except those which had occurred under any other clause of this Contract before such termination.

## **9. Prices and Payments**

### **9.1.1 Contract Price**

The Contract price is outlined in the Contract and the total payments under this Contract shall not exceed this Contract price.

### **9.1.2 Firm Prices and Price Variations:**

Unless otherwise stipulated in the contract, Prices shall be fixed and firm. Price variation is not applicable.

### **9.2. Taxes and Duties**

The Auditor shall be entirely responsible for all taxes, duties, fees, levies etc., incurred relating to the delivery of the Services. Further instruction, if any, shall be as provided in the Contract. If applicable under relevant tax laws and rules, Department of Posts shall deduct from all payments and deposit required taxes to respective authorities on account of GST Reverse Charge Mechanism; Tax Deducted at Source (TDS), and Tax Collected at Source (TCS) relating to Income Tax, labour cess, royalty etc.

### **9.3. Terms and Mode of Payment**

The Auditor shall submit invoices for payment in accordance with the deliverables and approval stages specified below. Payments shall be released based on submission and approval of audit deliverables for each of the three financial years covered under the contract. The following payment schedule shall apply:

a. For FY 2022-23:

60% of 30% of the contract value shall be paid upon submission of the complete set of audit deliverables (monthly and consolidated annual report). Remaining 40% of 30% of the contract value shall be paid upon formal acceptance and approval of the said audit report by the Pension Fund Regulatory and Development Authority (PFRDA).

b. For FY 2023-24:

60% of 30% of the contract value shall be paid upon submission of the audit deliverables for FY 2023-24. Remaining 40% of 30% of the contract value shall be paid after formal approval by PFRDA.

c. For FY 2024-25:

60% of 40% of the contract value shall be paid upon submission of audit deliverables for FY 2024-25. Remaining 40% of 40% of the contract value shall be paid after formal approval by PFRDA.

#### **9.4. Payments to Auditor**

##### **9.4.1 General**

The Auditor shall submit invoices for payment in accordance with the deliverables and approval stages specified below. Payments shall be released based on submission and approval of audit deliverables for each of the three financial years covered under the contract. The following payment schedule shall apply:

For FY 2022-23:

60% of 30% of the contract value shall be paid upon submission of the complete set of audit deliverables (monthly and consolidated annual report). Remaining 40% of 30% of the contract value shall be paid upon formal acceptance and approval of the said audit report by the Pension Fund Regulatory and Development Authority (PFRDA).

b. For FY 2023-24:

60% of 30% of the contract value shall be paid upon submission of the audit deliverables for FY 2023-24. Remaining 40% of 30% of the contract value shall be paid after formal approval by PFRDA.

c. For FY 2024-25:

60% of 40% of the contract value shall be paid upon submission of audit deliverables for FY 2024-25. Remaining 40% of 40% of the contract value shall be paid after formal approval by PFRDA. Currency of Payment: Unless otherwise specified in the Contract, any payment shall be made in Indian Rupees (INR).

##### **Advance Payments**

Department of Posts shall make no advance payment of any type (Mobilization, secured advances, etc.) to the Auditor.

#### **10. Resolution of Disputes:**

##### **10.1 Arbitration:**

Arbitration shall be carried out as per Arbitration Act 1996 and its subsequent amendment. The Contract shall be governed by and interpreted in accordance with the laws in force in India. The courts of Delhi shall have exclusive jurisdiction in all matters arising under the contract.

##### **11. Closure of Contract:**

The contract period shall be fixed as **12 months from the effective date of signing of contract.**

#### **12. Defaults, Breaches, Termination & Closure of Contract**

##### **12.1 Termination due to Default or Breach:**

The Procuring Entity may terminate the contract in part or full without compensation if the Auditor fails to deliver services or meet contractual obligations, Violates eligibility conditions, integrity standards, or terms of the JV agreement, Undergoes insolvency, liquidation, or dissolution.

##### **Notice & Remedies:**

A show-cause notice (two weeks) shall be issued in case of breach. Pending resolution, payments may be withheld. Remedies include liquidated damages, risk-and-cost



procurement, forfeiture of security, reassignment of work, insurance claims, and legal proceedings.

**12.2 Termination for Convenience or Frustration:**

The Procuring Entity may terminate the contract at its discretion due to convenience or a frustration event (as per Indian Contract Act, Section 56). Deliverables within 30 days of notice will be accepted; remaining work may be cancelled or completed as per revised terms. Events such as change in law beyond control may qualify as frustration, excluding commercial infeasibility or party default.

**12.3 Limitation of Liability:**

The Auditor's aggregate liability shall not exceed the contract value, except in cases of criminal negligence, misconduct, or IPR infringement.

**13. Grievance Redressal / Complaint Procedure**

Auditor may submit a written or electronic complaint or seek debriefing within 10 days of the declaration of evaluation results. The Tender Inviting Officer shall acknowledge the complaint within 5 working days and respond with a final decision within 15 days after due examination. Only participating and directly affected Auditors are eligible to raise such complaints, subject to conditions based on the stage of evaluation. However, the complaint process does not permit disclosure of confidential evaluation details or third-party information. Additionally, certain matters are not open to review, including the Procuring Entity's decisions on the need for procurement, the Terms of Reference (unless vague or unduly restrictive), selection procedures, participation restrictions based on policy, purchase preferences, and cancellation of the procurement (except when intended for re-tendering).



## Section V: Special Conditions of Contract (SCC)

Document No. RFP No. RFP/IA-NPS/2024-25 ;

Tender Title: Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025 (Ref ITA-clause 1.4)

Note for Auditors: Following Special Conditions of Contract (SCC) shall apply for this Procurement. These Special Conditions shall modify/ substitute/ supplement the corresponding General Conditions of Contract (GCC) clauses as indicated below. Whenever there is any conflict between the provision in the GCC and that in the SCC, the provision in the SCC shall prevail.

GCC Clause.	Topic	To be read as
<b>GCC 1, 2, 3 and 4: General, The Contract, Governing Laws and Jurisdiction, Communications</b>		
1.1	Language of Contract	English
2.1	Governing Laws and jurisdiction	Contract shall be governed by the Laws of India for the time being in force.  Courts at New Delhi shall only have jurisdiction to decide any dispute arising out or in respect of the Contract.
3.1, 3.3	Communications and notices	Address of Procuring Authority for sending communications:  Director (Internal Audit) Internal Audit Division Room No. 404, Fourth Floor, Department of Posts, Dak Bhawan New Delhi – 110001  Address of Auditor for sending communication:  Address  Tel.  e-mail:
3.2	Persons Signing Communications	The Authorized Representative are:  For the "Department of Posts": Director (Internal Audit)



		For the Auditor:
<b>GCC 4 and 5: Auditor's and Department of Posts' Obligations</b>		
4.1	Confidentiality and Secrecy of information	All documents or information or associated correspondence or other information furnished by or on behalf of Department of Posts to the Auditor in connection with the contract are confidential and shall remain the property of Department of Posts and shall, without the prior written consent of Department of Posts neither be divulged by the Auditor to any third party, nor be used by him for any purpose other than the activities required for the performance of this Contract.
4.1.3	Property Rights	All plans, specifications, designs, reports, and other documents prepared by the Auditor for the "Department of Posts" under this Contract shall become and remain the property of the "Department of Posts".
4.2	Performance Bond/ Security	5% of the contract price
5.1	Facilities, Utilities to be provided by Department of Posts	Department of Posts will provide office accommodation at New Delhi, Mysore/Bangalore if required, to the selected Auditor during the period of audit in the office concerned. The Employer will also provide the data and reports necessary for the project.
<b>GCC 6: Scope of Services and Performance Standards</b>		
6.1	Scope of Services	<b>As detailed in SECTION VI: TERMS OF REFERENCE</b>
<b>GCC 7: Deployment of Resources</b>		
7.1	Key Personnel	(i) Principal Auditor (ii) Qualified Assistant (iii) Semi Qualified Assistant (iv) Other Assistant
<b>GCC 8: Delivery of Services and Delays</b>		
8.1	Works plan	The Services shall be carried out as per Work Plan approved by Department of Posts

8.2	Commencement of Services	Effectiveness of the Contract: From the date of signing of the Contract
<b>GCC 9: Prices and Payments</b>		
9.1.2	Variations	Price Variation not applicable
9.2	Taxes and Duties	Auditor shall be entirely responsible for all taxes and duties, as applicable.
9.3	Terms and Mode of Payment	<p><b>Terms of Payment:</b></p> <p>The Auditor shall submit invoices for payment in accordance with the deliverables and approval stages specified below. Payments shall be released based on submission and approval of audit deliverables for each of the three financial years covered under the contract. The following payment schedule shall apply:</p> <p>a. For FY 2022-23: 60% of 30% of the contract value shall be paid upon submission of the complete set of audit deliverables (monthly and consolidated annual report). Remaining 40% of 30% of the contract value shall be paid upon formal acceptance and approval of the said audit report by the Pension Fund Regulatory and Development Authority (PFRDA).</p> <p>b. For FY 2023-24: 60% of 30% of the contract value shall be paid upon submission of the audit deliverables for FY 2023-24. Remaining 40% of 30% of the contract value shall be paid after formal approval by PFRDA.</p> <p>c. For FY 2024-25: 60% of 40% of the contract value shall be paid upon submission of audit deliverables for FY 2024-25. Remaining 40% of 40% of the contract value shall be paid after formal approval by PFRDA.</p>
9.4	Payment to Auditors	<p>The Auditor shall submit invoices for payment in accordance with the deliverables and approval stages specified below. Payments shall be released based on submission and approval of audit deliverables for each of the three financial years covered under the contract. The following payment schedule shall apply:</p> <p>a. For FY 2022-23: 60% of 30% of the contract value shall be paid upon submission of the complete set of audit deliverables (monthly and consolidated annual report). Remaining 40% of 30% of the contract value shall be paid upon formal acceptance and approval of the said audit report by the Pension Fund Regulatory and Development Authority (PFRDA).</p>

		<p>b. For FY 2023-24: 60% of 30% of the contract value shall be paid upon submission of the audit deliverables for FY 2023-24. Remaining 40% of 30% of the contract value shall be paid after formal approval by PFRDA.</p> <p>c. For FY 2024-25: 60% of 40% of the contract value shall be paid upon submission of audit deliverables for FY 2024-25. Remaining 40% of 40% of the contract value shall be paid after formal approval by PFRDA.</p>
<b>GCC 10 Resolution of Disputes</b>		
10.1	Arbitration	Secretary, Department of Posts will be appointing authority to appoint the arbitrator.
<b>GCC 11 Closure of Contract</b>		
11	Period of Contract	<b>12 months from the effective date of signing of the contract.</b>

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## Section VI: Terms of Reference

Tender Title: **Request for Expression of Interest for Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and AP**

### 1.1 Introduction

The Department of Posts (DoP) is a government department under the Ministry of Communications of the Government of India. It is responsible for providing postal services in India, including mail delivery, money orders, and savings bank services. The DoP is headed by the Secretary, Department of Posts.

The DoP has a network of over 155,000 post offices across India. These post offices are classified into 3 types: Head Post Offices, Sub-Post Offices, and Branch Post Offices. Head post offices are located in major cities and towns. Sub-post offices are located in smaller towns and villages. Branch post offices are located in rural areas. For administrative efficiency, the network is further divided into 23 postal circles.

### 1.2 Background and Objective:

PFRDA Act 2013 and the point of presence regulations, 2015 and further gazette notification on (PoP) Regulations, 2018 vide PFRDA/12/RGL/139/3 dated 25<sup>th</sup> June, 2018, Chapter-IV relates to Inspection and Audit section 23(1) of the ibid gazette notification dated 25.06.2018, the Authority, may, if it considers necessary at any time, undertake directly or through its representative an inspection and audit of the books, accounts, records including the electronic records and documents of the point of presence. The Authority may appoint one or more persons as inspecting officer or appoint a qualified auditor to undertake the inspection or audit. Explanation below section 23(1), the qualified auditor shall have the meaning derived from 226 of the Companies Act, 1956 or under the Companies Act, 2013.

The Audit firm has to do the inspection and audit of the books, accounts, records including the electronic records and documents of the Point of Presence pertaining to NPS, NPS-Lite, NPS-ACM and APY in Department of Posts. The audit shall be carried out on monthly/yearly basis. The audit of the books of



accounts shall be conducted in accordance with the guidelines prescribed by ICAI and shall conform to the requirements of the Income Tax Act, 1961, the Indian Trusts Act, 1882 and any other applicable law for time being in force. It is clarified that the audit is to be conducted **monthly**, and reports shall be prepared for **each month**. Additionally, a **consolidated yearly audited report** must be submitted to the Department. Only the **yearly audit report** will be forwarded to the **Pension Fund Regulatory and Development Authority (PFRDA)** for formal approval. The number of subscribers for NPS, NPS-Lite, NPS-ACM and APY in DoP as on 30<sup>th</sup> June 2024 is as under:

No.	Name of Scheme	Number of Subscribers (Approximate figure)	Remarks if any
1	NPS	173058	
2	NPS-Lite	307203	
3	APY	400000	
4	ACM	33000	

### 1.3 Point of Presence for Audit: -

The point of presence for conduct of Audit for NPS, NPS-Lite, ACM and APY is as under: -

- a. **NPS & NPs-Lite:** - The Point of Presence for the audit and inspection of NPS and NPS-Lite is Circle Postal Accounts Offices. **The Circle Postal Accounts will provide the necessary records for the audit of NPS & NPS-Lite pertaining to the DDOs/NCDDOs of their respective Postal Circle as per PFRDA guidelines to Pr. PAO Delhi. The Pr. PAO will provide the same to the Auditor for the audit in the read only format.** The auditor has to do the inspection and audit of the books, accounts, records including the electronic records and documents pertaining to the NPS & NPS-Lite furnished by the Circle Postal Accounts Offices. The list of Circle Postal Accounts Office is detailed in **Annexure-1**. The audit and inspection of the record is to be done remotely/Physically wherever required on monthly basis and produce the audit report to DoP HQ as per PFRDA guidelines. The flow of records/data to the auditor will be as detailed below:-



- b. **NPS-All Citizen of India (NPS ACM):** The Point of Presence for the audit and inspection of NPS-ACM is CEPT Mysore and Mysore HO. Postal Accounts Office, Bengaluru, Karnataka is the nodal PAO for NPS ACM. The auditor has to do the inspection and audit of the books, accounts, records including the electronic records and documents pertaining to the NPC-ACM maintained by the CEPT Mysore and Mysore HO. The The audit and inspection of the record is to be done physically on monthly basis and produce the audit report to DoP HQ as per PFRDA guidelines.

- c. **Atal Pension Yojana:** The Point of Presence for the audit and inspection of Atal Pension Yojana is Sansad Marg, Head Post Office, New Delhi. Postal Accounts Office, Delhi is the nodal PAO for APY. The auditor has to do the inspection and audit of the books, accounts, records including the electronic records and documents pertaining to the APY maintained by the Sansad Marg, HPO. The audit and inspection of the record is to be done physically on monthly basis and produce the audit report to DoP HQ as per PFRDA guidelines

**\*The periodicity of Audit is liable to change as per rules and regulations issued by PFRDA from time to time**

#### **1.4 Scope of Work:**

The scope of work as defined by PFRDA for audit of NPS, NPS ACM, NPS Lite and APY are as follows.

#### **1.4 NATIONAL PENSION SYSTEM (NPS AND NPS ACM)**

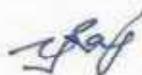
NATIONAL PENSION SYSTEM (NPS) National Pension System (NPS) was launched with effect from 1st January, 2004 initially for the Central Government Employees (excluding Armed Forces) which was adopted by State Government and State Autonomous bodies also subsequently. NPS was extended to all other citizens of India from 1st May, 2009.

Auditor appointed shall conduct the audit of the PoP for activities related to NPS and the audit firm would broadly have the scope of work related to the following categories of PoPs under National Pension System (NPS):

- (i) Distribution and servicing for public at large through physical as well as online platforms (herein after referred as PoP-NPS)
- (ii) Distribution and servicing for citizens at large through online platforms only (herein after referred as PoP-NPS-online)
- (iii) Distribution and servicing only for own employees and other (online personnel either through physical or online platforms (herein after referred as PoP-NPS-Corporate)

#### **1.4.1 The Broad Scope of Work of Auditor is as under:**

- i. Subscriber registration/On Boarding of subscribers under NPS.
- ii. Compliance of KYC/AML/CFT guidelines dated 23<sup>rd</sup> February 2023 (as amended) issued by the Authority.
- iii. Collection and processing of initial contribution and subsequent contribution received from the subscribers.
- iv. Uploading of Subscriber Contribution File (SCF) in CRA System and Transfer of Fund to Trustee Bank.
- v. Maintenance of collection account by the PoP in accordance with



- provisions of PFRDA (PoP) Regulations 2018 and guidelines issued there under.
- vi. Reconciliation of subscriber's contribution received by the PoP in the collection account and maintenance of audit trail for the same.
  - vii. Subscriber grievance handling by the PoPs as prescribed under Subscriber Grievance Regulations, 2015 and circulars issued there under.
  - viii. Receiving and processing service requests such as change in subscriber details, address, PFM and Pension Fund Change, inter sector shifting etc. received from the subscribers in CRA system.
  - ix. Receiving and processing of subscriber withdrawal/exit request within timelines laid down in CRA system.
  - x. Adherence to the timeframe laid down under the guidelines issued by the Authority.
  - xi. Payment of compensation by PoP for delayed activities as prescribed under Operational Guidelines.
  - xii. Verification of supporting documents, in case of delays, due to technical reasons/beyond the control of PoP and wherever PoP has not paid the compensation, Charges collected by the PoPs and to check the limits, mode and manner of collection as laid down by PFRDA. Also, to validate that charges quoted by the PoPs in any tender floated by the corporates are in accordance with the limit prescribed by the PFRDA.
  - xiii. Maintenance of Books of Accounts by the PoPs.
  - xiv. Verification of compliance reports submitted by PoPs to PFRDA.
  - xv. Compliance with the circulars/guidelines/notifications issued by PFRDA and/or any other Statutes
  - xvi. Appointment and discharge of responsibilities of Compliance Officer and Principal Officer
  - xvii. Any other activity in relation to the above.

Note: The scope as specified above is only indicative and not exhaustive

#### **1.4.2 AUDIT REPORT**

***(To be furnished on the letter head of the Audit Firm)***

#### **CERTIFICATE FOR AUDIT**

#### **Annexure-1**

We have examined the relevant books of accounts, records and documents maintained by M/s \_\_\_\_\_, (name of the Point of Presence(PoP) bearing Pension Fund Regulatory and Development Authority (PFRDA) Registration Number \_\_\_\_\_ Under NPS and to fulfill the audit requirement, as prescribed by Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and Guidelines issued there under, for the financial year \_\_\_\_\_.

The purpose of this audit is to examine that the processes, procedures followed and the operations carried out by the Point of Presence (including the



operations by its facilitators/Banking Correspondents/any other service provider approved by the Authority) are as per the applicable Acts, Rules, Regulations, By-laws prescribed by the Authority and Guidelines, Circulars, Notifications etc. issued there under.

We have obtained all the information and explanations, and examined the relevant books which to the best of our knowledge and belief, were necessary for the purpose of this Audit. In our opinion, proper books of accounts, records and documents, as per the regulatory requirement **have/have not** been maintained by the PoP. (Strike which ever not applicable)

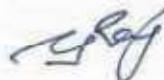
Based on examination of the processes, procedures followed and the operations carried out by the Point of Presence, to the best of our knowledge and belief and according to the information and explanations given to us, we certify that the Point of Presence **has/does not have** adequate internal control for ensuring orderly and efficient conduct of its business, including adherence to Acts, Rules, Regulations, By-laws prescribed by the Authority and Guidelines, Circulars, Notifications etc. issued thereunder, safeguarding the subscribers interest, prevention and detection of frauds and errors, accuracy and completeness of the books of accounts, records and documents.(Strike whichever not applicable)

We have conducted the audit within the framework provided by the Authority for the purpose of this Audit. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud/non-compliance/misrepresentation/violation by the Point of Presence **is/is not** observed during the course of this audit. (Strike whichever not applicable)

Based on the scrutiny of relevant books of accounts, records and documents, we certify that the Point of Presence **has/ has not** complied with the relevant provisions of Pension Fund Regulatory and Development Authority Act, 2013, Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 (Chapter IV, Regulations 23-28) and various circulars of the Authority.(Strike whichever not applicable)

We declare that we do not have any direct/indirect interest in or relationship with the Point of Presence or its shareholders / directors / partners / proprietors / management and also confirm that we do not perceive any conflict of interest in such relationship / interest while conducting audit of the said PoP.

In our opinion and to the best of our knowledge based on information provided and according to the explanations given to us by the Management/compliance



officer, the Report provided by us (along with Enclosure - 1 and Enclosure - 2) and subject to our observations, which covers the entire scope of the audit, is true and correct.

Name of Chartered Accountant along with seal & signature:

Name of the Proprietor /Partner:

Membership no. / CP. No:

UDIN No.:

Date:

Place:

**1.4.3 Format of Audit Report specifying the minimum scope to be covered:  
Enclosure-1**

S. No.	Particulars	Comments of auditor (whether PoP has complied with?)	Remarks of auditor (In case of non-compliance observed)	Management comments in case of deviations	Auditors Remarks against Management comments
<b>A.NPS subscriber registration documentation/PML Act&amp; Rules/Anti Money Laundering Compliance</b>					
1.	Whether forms (SRF) are Collected and Verified as per the prescribed KYC norms under PML Act/Rules and/or KYC/AML/CFT guidelines issued by the PFRDA?	Yes/No/NA			
2.	Whether PoP has issued the KYC/AML/CFT policy as Prescribed under KYC/AML/CFT guidelines?	Yes/No/NA			
3.	Whether PoP have conducted customer due diligence, Risk assessment and risk management measures in accordance with KYC/AML/CFT guidelines?	Yes/No/NA			
4.	Whether the periodic updation under NPS has been done by the PoP in accordance with KYC/AML/CFT guideline?	Yes/No/NA			
5.	Whether the acknowledgement slip for acceptance of SRF form and initial contribution has been provided to subscriber(s)?	Yes/No/NA			
6.	Whether the physical SRF forms along with supporting documents are being submitted to the central record keeping agencies (CRA) or its representative approved by the Authority or stored at PoP level (as the Case may be).	Yes/No/NA			

7.	Whether the PoP-NPS and PoP-NPS-Online has uploaded/downloaded/updated the KYC information of underlying subscribers onto CKYCR in the manner as prescribed under Prevention of Money Laundering (Maintenance of Records) Rules, 2005?	Yes/No/NA			
8.	Whether the applicants are contacted and initial contribution (including processing fees and taxes deducted upfront), documents submitted by him/her are Returned as per the process prescribed and the reasons for rejection as provided by the CRA are forwarded to the applicant by POP?	Yes/No/NA			
9.	Whether PoP has performed the activity related to Subscriber Registration in accordance with the prescribed timelines under Operational Guidelines?	Yes/No/NA			
<b>B.NPS subscriber servicing request processing</b>					
1.	Whether the subscribers service requests such as Switch/Scheme preference change/Shifting of Subscribers/ Change Requests of subscribers/other requests is carried out on receipt of written request vide email/physical letter along with documentary proof are processed as per the TATs prescribed under Operational Guidelines?	Yes/No/NA			
2.	Whether PoP has conducted the due-diligence during the processing of subscribers change request with respect to KYC details (Name, DoB, Address, Date of Retirement, Mobile number and Bank account details)?	Yes/No/NA			
3.	Whether the acknowledgement physically/ online has been provided to the subscriber(s)?	Yes/No/NA			
<b>C. Dealing with subscriber funds</b>					
1.	Whether internal controls are in place to identify source of the funds received from the subscribers?	Yes/No/NA			
2.	Whether the initial contribution (as applicable) has been collected along with the subscriber registration forms?	Yes/No/NA			
3.	Whether the PoP ensures to capture Permanent Account Number mandatorily of the subscribers for all cash transactions exceeding Rs.50,000/- (Rupees Fifty Thousand) or as prescribed under Rule114Bof IT Act and its amendments thereafter from time to time?	Yes/No/NA			

4.	Whether acknowledgement slip/receipt with unique number along with receipt date and stamp/signature is provided to the subscriber for the contribution amount collected through online and offline mode i.e. cheque/DD/cash as per the TATs prescribed under Operational guidelines?	Yes/No/NA			
5.	Whether the PoP is putting non-ash instruments for clearing only after receipt of PRAN number from the CRA in case of initial contribution?	Yes/No/NA			
6.	Whether all funds received from subscribers by the PoP Under NPS are being deposited to designated NPS collection account by the PoP/PoP-SP as prescribed under Operational Guidelines?	Yes/No/NA			
7.	Whether the PoP has processed the contribution i.e. SCF upload in CRA system and fund remittance to Trustee Bank as per the prescribed TATs under Operational Guidelines?	Yes/No/NA			
8.	Whether funds collected through PoP-SEs/BC/Individual Agent/ Retirement advisor/ prescribed channel by the PFRDA are being processed as per the prescribed timelines?	Yes/No/NA			
9.	Whether compensation is being paid by the PoP in case of all delayed transactions as per the rates prescribed under the guidelines under Operational Guidelines?	Yes/No/NA			
10.	Whether PoP has maintained the supporting documents for the delayed transactions wherein the delay was due to technical issues? In case, "Yes", are these documents are correct?	Yes/No/NA			
11.	Whether subscribers' funds are processed and remitted to Trustee Bank or refunded to subscriber? In case, the funds are not being remitted to system despite collection from subscriber without any justifiable reason, such instances to be provided.	Yes/No/NA			
12.	Whether any additional amount towards admin fee, processing fee etc. is charged from the subscriber by PoP or PoP-SP/PoP-SEs/BC/Individual Agent/ Retirement advisor /or any other channel approved by the PFRDA?	Yes/No/NA			
13.	Whether PoP is collecting the PoP charges as prescribed by the PFRDA	Yes/No/NA			
14.	Whether PoP has negotiated the PoP charges with Individual subscriber/corporates as per the limit prescribed by the PFRDA	Yes/No/NA			

15.	Whether the PoP is segregating the fee and charges earned under NPS as per the prescribed charges and transferring the same into the internal account of the POP?	Yes/No/NA			
<b>D.NPS Subscriber grievance handling</b>					
1.	Number of NPS subscriber complaints/grievances pending for more than 30 days at in CGMS at CRA portal as on 31st March ____.	No. of pending grievances: Remarks (if any):			
2.	Whether the directly received grievances in respect of NPS by the PoP are being lodged under the CGMS?	Yes/No/NA			
3.	Whether all grievances in CGMS at CRA portal are being resolved within the time frame provided in Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015?	Yes/No/NA			
4.	Whether designated email id for NPS subscriber grievance is created and informed to CRA and displayed on the website of the POP?	Yes/No/NA			
5.	Whether the name, e-mail id/s and telephone number/s of the designated Grievance Redressal Officer (GRO) and the escalation matrix prescribed under Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015 of the are made public through display on website preferably and/or at branches?	Yes/No/NA			
<b>E.Exit /partial withdrawal</b>					
1.	Number of pending exit/withdrawal requests including partial withdrawal at the level of the POP.as on 31st March, -----	No.of pending requests: Remarks (if any):			
2.	Whether the exit/withdrawal requests are processed by the PoP as per the TATs prescribed under operational guidelines?	Yes/No/NA			
3.	Is it ensured that the exit/withdrawal requests are provided by the subscribers/claimants in the format as prescribed by the Authority and as per the KYC norms prescribed under KYC/AML/CFT guidelines?	Yes/No/NA			

4.	Whether acknowledgement receipt with unique number along with receipt date and stamp/signature/email confirmation is provided to the subscriber for exit as per the TATs prescribed under operational guidelines?	Yes/No/NA			
5.	Whether the signature of the subscriber is verified along with the KYC records for processing the exit/partial withdrawal/ withdrawal requests?	Yes/No/NA			
6.	Whether supporting documents (as prescribed by the Authority from time to time) are obtained from the subscriber/claimant?	Yes/No/NA			
7.	Whether the PoP sends physical exit/withdrawal forms to the CRA after authorizing the same at their end for the request received at PoP level?	Yes/No/NA			
8.	In case where the exit/withdrawal claim has been rejected at CRA, whether the subscriber/claimants are contacted and reasons for rejection of claim are explained to the subscriber/claimants and requisite rectifications (if any) are carried out by obtaining requisite documents from the subscriber/claimant?	Yes/No/NA			
9.	Whether PoP has ensured that the Exit /Withdrawal proceeds are credited to the designated subscriber/claimant bank account?	Yes/No/NA			
<b>F. Whether prescribed books of accounts, registered and records are maintained with the required details and For the stipulated period as per the regulatory requirement</b>					
1.	Whether PoP has maintained all books of accounts and record keeping as prescribed under extant of Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and amendment thereof and KYC/AML/CFT guidelines?	Yes/No/NA			

2.	Whether the PoP maintains the PoP-SEs/ BC/Individual Agent/Retirement advisor-wise/ any other prescribed channel complete audit trail of all transactions processed under NPS like date of receipt of application form/contribution, date of issuance of receipt to the subscriber, date of SCF upload, date of fund remittance to the Trustee Bank, date of receipt of forms at the head office/nodal office, date of receipt and processing of other subscriber related service requests etc.?	Yes/No/NA			
3.	Whether the TATs prescribed under Operational guidelines for all activities are properly followed for the transactions routed through PoP-SEs/ BC/Individual Agent/Retirement advisor /prescribed channel engaged by the PoP?	Yes/No/NA			
4.	Whether the PoP-SEs/ BC/Individual Agent/Retirement advisor associated with the POP are doing all activities under NPS in accordance to Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and guidelines issued as under?	Yes/No/NA			
5.	Whether the record of operational guidelines/circulars/notices/directions/regulations issued by Department of Posts/ the Authority from time to time is being maintained by the PoP?	Yes/No/NA			
<b>G. Reporting</b>					
1.	Whether compliance report submitted by the POP to PFRDA are correct?	Yes/No/NA			
2.	Whether the details of NPS related activities undertaken by POP-SEs are included and reported by the POP in their periodic compliance reporting, as prescribed?	Yes/No/NA			
3.	Whether POP has appointed the compliance officer / Principal Officer/ designated director as prescribed under extant PoP regulations/ KYC/AML/CFT guidelines and also intimated any change in regard to the same to the Authority?	Yes/No/NA			

4.	Whether PoP is monitoring the transactions and comply with reporting obligations prescribed under KYC/AML/CFT guidelines?	Yes/No/NA			
H. Adherence to Code of Conduct					
1.	Whether POP is adhering to the Code of Conduct as specified under Regulations	Yes/No/NA			
2.	Any other matter/s, which you may like to bring to the attention of the management of POP or Authority may be additionally provided as an Annexure	Yes/No/NA			

I/We confirm to consider the sample size of the entity while conducting the audit for the FY \_\_\_\_\_ under NPS as per the below mentioned categories and Instructions under para B (b):

Category A: Min 10 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base up to 5000.

Category B: Min 20 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base of up to 5001 to 25,000.

Category C: Min 25 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base of 25,001 to 1,00,000.

Category D: Min 30 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base of 1,00,000 to 5,00,000.

Category E: Min 50 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base above 5,00,000.

**Note:**

1. Please tick mark the relevant category, as applicable to the entity
2. The minimum sample size is prescribed for each activity performed by the PoP such as on boarding of subscribers, transaction related to initial contribution, transaction related to subsequent contributions, subscribers request processing and exit and withdrawal request processing.
3. Subscriber base as on end of the FY for which the audit is conducted to be taken
4. Sample size indicated is minimum sample size. Auditor may determine the optimum sample so as to be able to satisfy himself/ herself about the objectives of the audit.

Signature of the Auditor & Stamp of Audit Firm: Name of the Auditor:

Membership no./CP.No.:

UDINN o.:



Date:  
Place:

**Enclosure-2**

**1.4.4 Details of NPS collection account maintained by PoP as on 31<sup>st</sup> March**

**Section 1 –Details of total outstanding balance as on 31<sup>st</sup> March\_**

S. No.	Bank account number	Name of the Bank	Name of collection account	Closing Balance	Balance held for no. of subscribers

**Section 2 – Details/bifurcation of the balance outstanding (excluding un-reconciled balances) as on 31<sup>st</sup> March \_\_\_\_**

S. No.	Name of the subscriber/PRAN /SCF Transaction details	Amount received	Date of receipt of clear fund	Date of remittance to the Trustee Bank if done after 31 <sup>st</sup> March

**Section3 – Details of un-reconciled balances as on 31<sup>st</sup>March \_\_\_\_**

S. No.	Name of the subscriber (if available)	PRAN (if available)	Contact details (if available)	Amount	Date of receipt of Clear funds	Mode of payment	Instrument no.& name of bank (if available)	Reason for withholding The amount

Note:

1. Un-reconciled balance includes those entries for which POP is unable to remit the funds into NPS architecture and/or unable to refund the same.
2. The sum total of section 2 and 3 should be equal to total of Section 1
3. Attach separate sheet for each section separately, if required

Name of the Auditor: Membership no. / CP, No.:UDIN No.:	Name of the Compliance officer:
Signature of the Auditor: Stamp of the Audit firm:	Signature of the Compliance officer along with office seal:



Date:	Date:
Place:	Place:

#### 1.4.5 INSTRUCTIONS

These instructions are only indicative in nature and not exhaustive. These have been prepared based on the regulatory/supervisory requirement (as per relevant Acts, rules, regulations and circulars) which keep evolving from time to time. The auditors should peruse them and report other irregularities, if observed while conducting audit.

##### A. Instructions to both Auditor and PoP:

a) The copy of audit report should be submitted to PFRDA by PoP as per the report format specified above.

##### B. Instructions to Auditor:

- a) The auditors should clearly indicate 'Yes' indicating Compliance, 'No' indicating Non-compliance and 'NA' wherever 'Not Applicable'.
- b) Sample size indicated in the format of IAR above is minimum sample size. Auditor may determine the optimum sample so as to be able to satisfy himself/ herself about the objectives of the audit. The indicative sample size for relevant category, as applicable to the PoP (as detailed in Enclosure - 1) shall be taken by the auditor.
- c) Auditor shall specifically declare about direct / indirect interest in or relationship with the Point of Presence or its shareholders / directors / partners / proprietors/ management if any and also confirm that they do not perceive any conflict of interest in such relationship / interest while conducting audit of the said Point of Presence.
- d) In case any violations/qualifications/observations are observed by the auditor the same shall be submitted as annexure with complete details and should be quantified specifying the number of instances, value etc. and the evidences should be enclosed with the Audit Report.
- e) Membership number allotted by the affiliated professional body should be quoted at the bottom of the report as provided in the format of IAR.
- f) Each page of the report shall be signed and stamped by the auditor/ e-signed.

##### C. Instructions to PoP:

a) In case any non-compliances / findings / observations / adverse remarks are



- made by the auditor,  
management remarks should be given against such point(s) by the PoP.
- b) PoP to mention the date on which the report has been presented to the Board/Management/Audit Committee for their approval and indicate corrective and preventive actions taken by the management for addressing the deficiencies along with the timeliness of when the agreed suggestions would be implemented.
  - c) Improvements brought about in the operations between the last audit and the current audit shall be submitted.

Note: In case audit report submitted is incomplete and not as per the guidelines viz sample size not given, only certificate submitted without report etc, same would be treated as non-submission of audit report. The Authority reserves the right to direct a Point of Presence to either get the audit redone for completing the set audit process and format or change its auditor if quality of the report is not satisfactory or the audit is not carried out as per guidelines.

#### **1.4.6 Process flow for submission of Audit Report:**

- a) Auditor to submit the first draft of the Audit report as per the prescribed format to PoP seeking management remarks.
- b) PoP to submit the Audit Report with management remarks to the Auditors within the specified timeline  
(in the absence of non-submission of management remarks by PoPs within timelines, it will be considered as 'PoP has no remarks to offer')
- c) Post-processing of management remarks by the Auditor by way of clearly indicating its view/comments/observation on management remarks submitted by PoP, the auditor to submit the report to PoP and in turn, PoP to submit the final audit report to Board /Audit Committee under copy to PFRDA. PoP to also submit the Board/Audit Committee observations on the Auditor Certificate to PFRDA, if any.

#### **1.4.7 Indicative processes/guidance for verification of respective areas:**

##### **1. Subscriber registration and documentation/Anti Money Laundering Compliance:**

- a) Checks and balances in place for Execution of Know Your Client (KYC).
- b) Systems and procedures put in place by PoP for verification of KYC before opening NPS account



- c) Procedure followed by the PoP for informing the PRAN and other details to the subscribers & uploading to the CRA system of such data and transfer of clear funds to the Trustee bank.
- d) Procedure adopted by the PoP for doing KYC as required under the Prevention of Money Laundering Act, 2002 (17 of 2003) including the amendments thereof or any other law through effective use of Know Your Customer verification processes, laid down by the Authority for all subscribers in the operational guidelines and KYC/AML/CFT guidelines.
- e) Customer acceptance policy and customer due diligence measures adopted by the PoPs.

**2. NPS Subscriber Service Request management and risk management systems:**

- a) Procedure adopted for receipt of request for services from subscribers
- b) Mechanism for order management and execution of subscriber requests for service.
- c) Procedure adopted for providing online platform for NPS account and operations facility
- d) Procedure followed for allotting of user id and password, change of password etc.
- e) Internal controls for online NPS account access and usage
- f) Process walk through and verification of procedure adopted for implementation of internal code of conduct and internal controls to prevent violation of guidelines or Service level standards stipulated for various activities under NPS.

**3. Dealing with subscribers' funds and securities**

- a) Verification of internal controls adopted by the PoP while accepting banker's cheque / demand draft from subscribers
- b) Procedure for ensuring that receipts and payment of funds/securities are from/to respective subscriber only
- c) Verification of following books of accounts/records:
  - i. Records of contributions received (cheques, DDs and Cash or online transactions)
  - ii. Register of transaction history done by the Point of Presence upon requests from NPS subscribers.
  - iii. Bank Statements
  - iv. CRA related transaction books/accounts maintained by Point of Presence (PoP)
  - v. Cash Book
  - vi. Bank Book



All such registers should at least contain information on about Name of the subscriber, PRAN, date of receipt of contribution/ subscriber request, contribution amount, branch name, date of depositing the contribution amount under NPS into the NPS Collection account of the PoP, date of SCF upload, date of fund remittance, date of uploading the service-related requests including exit/withdrawal request into the CRA system, date of authorization by the PoP or any other additional parameter as may be considered by the PoP for maintenance of proper audit trail at the level of the PoP.

#### **4. Banking and NPS account operations**

- a) Procedure for segregation of own and NPS subscribers' funds and instruments (in separate accounts)
- b) Internal controls for use of subscriber bank and subscriber NPS accounts only for authorized purpose.

#### **5. Management of PoP-SP / Sub Entity and internal control**

- a) System and Policy followed for opening / closing of branch Procedure adopted to inform the same to subscribers.
- b) Periodicity and procedure adopted for inspection of PoP-SP branches / PoP-SEs (if any).
- c) Reporting mechanism and mode of informing the inspection observations to PoP-SP branches/PoP-SEs and follow up action plan.
- d) Policy of fixing of roles and responsibilities of officials in head office, branches and PoP-SEs office.
- e) Documentation of Internal controls and Comments on Internal controls in place.

#### **6. Subscriber grievance handling**

- a) Mechanism to monitor complaints lodged with PoP-SP branches / PoP-SEs and entry of the same in CGMS system of CRA.
- b) Mechanism to monitor complaints lodged in CGMS in CRA against PoP. Maintenance of complaints register.
- c) Redressal mechanism for complaints registered against the POP Verification of subscriber grievance register and email id
- d) Internal control for verification of complaints received through the



designated email –id.

## **7. Maintenance of Books of Accounts**

As prescribed under Regulation 17 of Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018, books of accounts, registers and records to be maintained, with the required details and for the stipulated period as per regulatory/supervisory requirement. All such records can be maintained electronically in retrievable mode (as and when required), however physical copies of relevant documents are to be maintained by concerned office.

### **1.5 NPS-Lite**

1. The NPS-Lite system is basically designed with the intention to secure the future of the people who are economically disadvantaged and who are not financially well to do. Towards this endeavour, NPS Lite system is developed on a low charge structure. The servicing model of NPS Lite is based on group servicing. The people forming part of this low-income groups will be represented through their organizations known as 'POPs under NPS Lite' or through banks who would facilitate in subscriber registration, transfer of pension contributions and subscriber maintenance functions.
2. NPS Lite model broadly has similar functionalities as the regular NPS model. However, some of the services are not available at individual subscriber level instead these services are provided at Aggregator/bank level and the individual can avail of those features through aggregators/banks.
  3. Under NPS Lite, Permanent Retirement Account is available to subscribers. This is a non-withdrawable account, in which an NPS Lite subscriber shall contribute his/her savings for obtaining an annuity at the time of retirement. However, considering its low-cost model certain facilities like online access to the account, SMS alerts, Tier II account etc are not available for the NPS Lite subscribers.
  4. PoPs registered under Regulation 3(1)(iv) of Pension Fund Regulatory and Development Authority(Points of Presence) Regulations, 2018 and amendment thereof and performing activities of NPS-Lite (PoPs-NPS-Lite) shall ensure that the annual accounts and processes maintained under NPS-Lite are audited on annual basis by an independent external chartered accountant/audit firm, as per the provisions of Operational Guidelines issued vide Circular dated 16<sup>th</sup> March 2022 under PFRDA (PoP) Regulations,2018 and amendment thereof.
5. The scope of such audit shall cover, inter-alia, the existence, scope,



adequacy and efficacy of internal control system, procedures and safeguards, compliance with the provisions of the Pension Fund Regulatory and Development Authority Act, 2013, Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and amendment thereof and Guidelines/ Circulars/Notifications issued by the Authority, KYC requirements as per PMLA Act/Rules and data security in respect of the operations of such Point of Presence. The Broad Scope of Audit detailed below.

6. PoPs must maintain the books of accounts and records including electronic records and documents as stipulated in the Regulations/ Guidelines/ Circulars/ Notifications issued by the Authority from time to time.

7. The Audit Report format along with Instructions is placed at **Enclosure 3 & 4**. PoPs-NPS-Lite shall submit the audit report to PFRDA within 3 months from the date of closure of the accounts.

8. The audit reports shall be reviewed by the Authority and appropriate course of action would be pursued in cases where're ports are not as per the requirements.

#### **1.5.1 SCOPE OF WORK OF AUDIT** **NATIONAL PENSION SYSTEM – LITE (NPS-LITE)**

Auditor appointed by the PoP shall conduct the Audit of the PoP for activities related to NPS-Lite. The Broad Scope of Work of Auditor is as under:

- i. Collection and processing of initial contribution and subsequent contribution received from the subscribers.
- ii. Compliance of KYC/AML/CFT guidelines issued by PFRDA by the PoP w.e.f 23rd February 2023.
- iii. Uploading of Subscriber Contribution File (SCF) in CRA System and Transfer of Fund to Trustee Bank.
- iv. Maintenance of collection account by the PoP in accordance with provisions of PFRDA (PoP) Regulations 2018 and guidelines issued there under.
- v. Reconciliation of subscriber's contribution received by the PoP in the collection account and maintenance of audit trail for the same.
- vi. Subscriber grievance handling by the POPs as prescribed under Subscriber Grievance Regulations, 2015 and circulars issued there under.
- vii. Receiving and processing service requests such as change in subscriber details, address, PFM and Pension Fund Change, Intersector shifting etc. received from the subscribers in CRA system.
- viii. Receiving and processing of subscriber withdrawal/exit request with laid down in CRA system.



- ix. Adherence to the timeframe laid down under the guidelines issued by PFRDA.
- x. Payment of compensation by PoP for delayed activities as per laid down in extant Regulations and guidelines.
- xi. Verification of supporting documents, in case of delays, due to technical reasons/beyond the control of PoP and wherever PoP has not paid the compensation.
- xii. Charges collected by the PoPs and to check the limits, mode and manner of collection as laid down by PFRDA.
- xiii. Maintenance of Books of Accounts by the PoPs.
- xiv. Verification of MIS/ Compliance submitted by PoPs to PFRDA.
- xv. Compliance with the circulars/ guidelines/ notifications issued by PFRDA and/ or any other Statutes
- xvi. Appointment and discharge of responsibilities of Compliance Officer and Principle Officer
- xvii. Any other activity in relation to the above.

Note: The scope as specified above is only indicative and not exhaustive

### **1.5.2 FORMAT OF AUDIT REPORT**

**(To be furnished on the letter head of the Audit Firm)**

#### **Annexure -2**

#### **CERTIFICATE OF OR AUDIT**

We have examined the relevant books of accounts, records and documents maintained by M/s \_\_\_\_\_, (name of the Point of Presence (PoP)) bearing Pension Fund Regulatory and Development Authority (PFRDA) Registration Number \_\_\_\_\_ under NPS-Lite and to fulfill the audit requirement, as prescribed by Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and Guidelines issued thereunder, for the financial year \_\_\_\_\_.

The purpose of this audit is to examine that the processes, procedures followed and the operations carried out by the Point of Presence (including the operations by its facilitators/ Banking Correspondents/any other service provider approved by the Authority) are as per the applicable Acts, Rules, Regulations, By-laws prescribed by the Authority and Guidelines, Circulars, Notifications etc. Issued there under.

We have obtained all the information and explanations, and examined the relevant books which to the best of our knowledge and belief, were necessary for the purpose of this Audit. In our opinion, proper books of accounts, records and documents, as per the regulatory requirement **have/have not** been maintained by the PoP-NPS-Lite. (Strike whichever not applicable)



Based on examination of the processes, procedures followed and the operations carried out by the Point of Presence, to the best of our knowledge and belief and according to the information and explanations given to us, we certify that the Point of Presence **has/does not have** adequate internal control for ensuring orderly and efficient conduct of its business, including adherence to Acts, Rules, Regulations, By-laws prescribed by the Authority and Guidelines, Circulars, Notifications etc. issued thereunder, safeguarding the subscribers interest, prevention and detection of frauds and errors, accuracy and completeness of the books of accounts, records and documents. (Strike whichever not applicable)

We have conducted the audit within the framework provided by the Authority for the purpose of this internal Audit. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud/non-compliance/misrepresentation/violation by the Point of Presence **is/is not** observed during the course of this audit.(Strike whichever not applicable)

Based on the scrutiny of relevant books of accounts, records and documents, we certify that the Point of Presence **has/has not** complied with the relevant provisions of Pension Fund Regulatory and Development Authority Act, 2013, Pension Fund Regulatory and Development Authority (Points of Presence) Regulations,2018 (Chapter IV, Regulations23-28) and various circulars of the Authority. (Strike whichever not applicable)

We declare that we do not have any direct / indirect interest in or relationship with the Point of Presence or its shareholders/directors/partners/proprietors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while conducting audit of the said PoP-NPS-Lite.

In our opinion and to the best of our knowledge based on information provided and according to the explanations given to us by the management/compliance officer, the Report provided by us (along with Enclosure - 1 and Enclosure - 2) and subject to our observations, which covers the entire scope of the audit, is true and correct.

Name of Chartered Accountant along with seal &signature: Name of the Proprietor /Partner:  
Membership no./CP.No.:  
UDIN No.:  
Date:  
Place:

**Enclosure -3**

**1.5.3 Format of Audit Report specifying the minimums cope to be covered**



S. No.	Particulars	Comments of audit or (whether PoP has complied with?)	Remarks of auditor (In case of non-compliance observed)	Management comments in case of deviations	Auditors Remarks against Management comments
<b>A. NPS-Lite subscriber registration documentation/ PML Act&amp; Rules/ Anti Money Laundering compliance (Only applicable to Gramin Dak Sevaks registered by Department of Post)</b>					
1.	Whether PoP has performed the activity related to Subscriber Registration in accordance with the prescribed timelines under Operational Guidelines	Yes/No/NA			
2.	Whether forms (SRF) are Collected and Verified as per the prescribed KYC norms under PML Act/Rules and/or KYC/AML/CFT guidelines issued by the PFRDA?	Yes/No/NA			
3.	Whether PoP has issued the KYC/AML/CFT policy as prescribed under KYC/AML/CFT guidelines?	Yes/No/NA			
4.	Whether PoP have conducted customer due diligence, risk assessment and risk management measures in accordance with KYC/AML/CFT guidelines?	Yes/No/NA			
5.	Whether the physical SRF forms along with supporting documents are being submitted to the central recordkeeping agency (CRA) or its representative approved by the Authority or stored at PoP level (as the case may be)?	Yes/No/NA			
<b>B. NPS -Lite subscriber servicing</b>					
1.	Whether Migration to APY/ Shifting of Subscribers/ Change Requests of subscribers/other requests including change in address, bank account or any other subscriber request is carried out on receipt of written request along with documentary proof as mentioned in the operational guidelines and also processed as per the TAT's prescribed under Schedule 2?	Yes/No/NA			
2.	Whether PoP has conducted the due-diligence during the processing of subscribers change request with respect to KYC details (Name, DoB, Address, Date of retirement, Mobile number and Bank account details)?	Yes/No/NA			
3.	Whether the acknowledgement physically/online has been provided to the subscriber(s)?	Yes/No/NA			
<b>C. Dealing with subscriber funds</b>					

1.	Whether internal controls are in place to identify the source of the funds received from the subscribers?	Yes/No/NA			
2.	Whether the existing subscribers are approached by the POP for persistence?	Yes/No/NA			
3.	Whether acknowledgement slip / receipt with unique number along with receipt date and stamp/signature is provided to the subscriber for the contribution amount as per the TATs prescribed under Operational Guidelines?	Yes/No/NA			
4.	Whether all funds received from subscribers by the PoP under NPS Lite are being deposited to designated NPS Lite collection account by the PoP/PoP-SP as prescribed under Operational Guidelines?	Yes/No/NA			
5.	Whether the contribution processing i.e. SCF upload and fund remittance are uploaded by the PoP as per the prescribed TATs under Operational Guidelines	Yes/No/NA			
6.	Whether funds collected through facilitators / any other channel approved by the Authority are being processed as per the prescribed timelines?	Yes/No/NA			
7.	Whether compensation is being paid by the PoP in case of all delayed transactions as per the rates prescribed under the guidelines under Operational Guidelines?	Yes/No/NA			
8.	Whether subscribers' funds are processed and remitted to Trustee Bank or refunded to subscriber? In case, the funds are not being remitted to system despite collection from subscriber without any justifiable reason, such instances to be provided.	Yes/No/NA			
9.	Whether any additional amount towards admin fee, processing fee etc. is charged by PoP / branches /facilitators engaged by them from the subscriber?	Yes/No/NA			
<b>D.NPS-Lite Subscriber grievance handling</b>					
1.	Number of NPS Lite subscriber complaints/grievances pending for more than 30 days at in CGMS at CRA portal As on 31 <sup>st</sup> March_____.	No. of pending grievances: Remarks (if any):			
2.	Whether the directly received grievances in respect of NPS Lite by the PoPs are being lodged under the CGMS?	Yes/No/NA			
3.	Whether all grievances in CGMS at CRA portal are being resolved within the time frame provided in Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015?				

4.	Whether designated email ID for NPS Lite subscriber grievance is created and informed to CRA and displayed on the website of the PoP including the grievance redressal system?	Yes/No/NA			
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**E. Exit/ withdrawal**

1.	Number of pending exit/withdrawal requests f at the level of the PoP as on 31st March _____	No. of pending requests: Remarks (if any):			
2.	Whether the exit/withdrawal requests are processed by the POP as per the TATs prescribed under Operational Guidelines?	Yes/No/NA			
3.	Is it ensured that the exit/withdrawal requests are provided by the subscribers/claimants in the format as prescribed by the Authority and as per the KYC norms prescribed under KYC/AML/CFT guidelines?	Yes/No/NA			
4.	Whether the acknowledgement physically/online has been provided to the subscriber(s)?	Yes/No/NA			
5.	Whether the signature of the subscriber is verified with the records for processing the exit / withdrawal requests?	Yes/No/NA			
6.	Whether supporting documents (as prescribed by the Authority from time to time) are obtained from the subscriber/claimant?	Yes/No/NA			
7.	Whether the PoP sends physical exit / withdrawal forms to the CRA after authorizing the same at their end?	Yes/No/NA			
8.	In case where the withdrawal claim has been rejected at CRA, whether the subscriber/claimants are contacted and reasons for rejection of claim are explained to the subscriber/claimants and requisite rectifications (if any) are carried out by obtaining requisite documents from the subscriber/claimant?	Yes/No/NA			
9.	Whether PoP has ensured that the Exit /Withdrawal proceeds are credited to the designated subscriber/ claimant saving bank account by the CRA?	Yes/No/NA			

**F. Whether prescribed books of accounts, registered and records are maintained with the required details and For the stipulated period as per the regulatory requirement**

1.	Whether PoP has maintained all books of accounts and record keeping as prescribed under extant of Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and amendment thereof and	Yes/No/NA			
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	KYC/AML/CFT guidelines?				
2.	Whether the PoP maintains branch-wise and facilitator-wise or any other channel wise complete audit trail of all transactions processed under NPS Lite like – date of receipt of application form/contribution, date of issuance of receipt to the subscriber, date of SCF upload, date of fund remittance to the Trustee Bank, date of receipt of forms at the head office/nodal office, date of receipt and processing of other subscriber related requests etc.?	Yes/No/NA			
3.	Whether the TATs prescribed under Operational Guidelines for all activities are properly followed for the transactions routed through the associated facilitators?	Yes/No/NA			
4.	Whether the facilitators associated with the PoP are doing all activities under NPS Lite in accordance to Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018?	Yes/No/NA			
5.	Whether the record of operating guidelines/circulars/notices/directions/regulations issued by Department of Posts/ the Authority from time to time is being maintained by the PoP?	Yes/No/NA			
<b>G. Reporting</b>					
1.	Whether compliance reports submitted by the PoP to PFRDA during last financial year are correct?	Yes/No/NA			
2.	Whether the details of NPS Lite related activities undertaken by facilitators are included and reported by the PoP in their periodic compliance report, as prescribed?	Yes/No/NA			
3.	Whether PoP has appointed the compliance officer /Principal Officer/ designated director as prescribed under extant PoP regulations/ KYC/AML/CFT guidelines and also intimated any change in regard to the same to the Authority?	Yes/No/NA			
4.	Whether PoP is monitoring the transactions and comply with reporting obligations prescribed under KYC/AML/CFT guidelines?	Yes/No/NA			
<b>H. Adherence to Code of Conduct</b>					
1.	Whether PoP is adhering to the Code of Conduct as specified under Regulations?	Yes/No/NA			
2.	Any other matter/s, which you may like to bring to the attention of the management of PoP or Authority may be				

additionally provided as an Annexure				
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I/We confirm to consider the sample size of the entity while conducting the audit for the FY \_\_\_\_\_ under NPS Lite as per the below mentioned categories and Instructions under para B (b):

Category A: Min 5 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base up to 5000.

Category B: Min 10 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base of up to 5001 to 25,000.

Category C: Min 15 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base of 25,001 to 1,00,000.

Category D: Min 20 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base above 1,00,000.

Category E: Min 50 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base above 5,00,000.

Note:

1. Please tick mark the relevant category, as applicable to the entity.
2. The minimum sample size is prescribed for each activity performed by the PoP such as on boarding of subscribers, transaction related to initial contribution, transaction related to subsequent contributions, subscribers request processing and exit and withdrawal request processing.
3. Subscriber base as on end of the FY for which the audit is conducted to be taken.
4. Sample size indicated is minimum sample size. Auditor may determine the optimum sample so as to be able to satisfy himself/herself about the objectives of the audit.

Signature of the Auditor & Stamp of Audit Firm:

Name of the Auditor:

Membership no. /CP. No.:

UDIN No.:

Date & Place:

**Enclosure-4**

**1.5.4 Details of NPS-Lite collection account maintained by PoP as on 31<sup>st</sup> March \_\_\_\_\_**

**Section1 –Details of total outstanding balance as on 31<sup>st</sup> March\_**

S. No.	Bank account number	Name of the Bank	Name of collection account	Closing Balance	Balance held for no. of subscribers

**Section2–Details/ bifurcation of the balance outstanding (excluding un-reconciled balances) as on 31<sup>st</sup> March \_\_\_\_\_**

S. No.	Name of the subscriber/PRAN / SCF Transaction details	Amount received	Date of receipt of clear fund	Date of remittance to the Trustee Bank if done after 31 <sup>st</sup> March

**Section3 –Details of un-reconciled balances as on 31stMarch \_\_\_\_\_**

S. No.	Name of the subscriber (if available)	PRAN (if available)	Contact details (if available)	Amount	Date of receipt of Clear funds	Mode of payment	Instrument no.& name of bank (if available)	Reason for with holding The amount

Note:

1. Un-reconciled balance includes those entries for which POP is unable to remit the funds into NPS- Lite architecture and/or unable to refund the same.
2. The sum total of section 2 and 3 should be equal to total of Section 1
3. Attach separate sheet for each section separately, if required

Name of the Auditor: Membership no. / CP. No.: UDIN No.:	Name of the Compliance officer:
Signature of the Auditor: Stamp of the Audit firm:	Signature of the Compliance officer along with office seal:
Date:	Date:
Place:	Place:

**1.5.5 INSTRUCTIONS**

These instructions are only indicative in nature and not exhaustive. These have been prepared based on the regulatory/supervisory requirement (as per relevant Acts, rules, regulations and circulars) which keep evolving from time to time. The auditors should peruse them and report other irregularities, if observed while conducting audit.

**Instructions to both Auditor and PoP:**



The copy of audit report should be submitted to PFRDA by PoP as per the report format specified above.

**Instructions to Auditor:**

- a) The auditors should clearly indicate 'Yes' indicating Compliance, 'No' indicating Non-compliance and 'NA' wherever 'Not Applicable'.
- b) Sample size indicated in the format of IAR above is minimum sample size. Auditor may determine the optimum sample so as to be able to satisfy himself/herself about the objectives of the audit. The indicative sample size for relevant category, as applicable to the PoP (as detailed in Enclosure - 1) shall be taken by the auditor.
- c) Auditor shall specifically declare about direct / indirect interest in or relationship with the Point of Presence or its shareholders / directors / partners / proprietors/ management if any and also confirm that they do not perceive any conflict of interest in such relationship / interest while conducting audit of the said Point of Presence.
- d) In case any violations/qualifications/observations are observed by the auditor the same shall be submitted as annexure with complete details and should be quantified specifying the number of instances, value etc. and the evidences should be enclosed with the Audit Report.
- e) Membership number allotted by the affiliated professional body should be quoted at the bottom of the report as provided in the format of IAR.
- f) Each page of the report shall be signed and stamped by the auditor/ e-signed.

**Instructions to PoP:**

- a) In case of any non-compliances/findings/observations/adverse remarks are made by the auditor, management remarks should be given against such point(s) by the PoP.
- b) PoP to mention the date on which the audit report has been presented to the Board/Management/Audit Committee for their approval and indicate corrective and preventive actions taken by the management for addressing the deficiencies along with the timeliness of when the agreed suggestions would be implemented.
- c) Improvements brought about in the operations between the last audit and the current audit shall be submitted.

**Note:** In case audit report submitted is incomplete and not as per the guidelines viz sample size not given, only certificate submitted without report etc, same would be treated as non-submission of audit report. The Authority reserves the right to direct a Point of Presence to either get the audit redone for completing the set audit process and format or change its auditor if quality of the report is not satisfactory or the audit is not carried out as per guidelines.

**1.5.6 Process flow for submission of Audit Report:**



- a) Auditor to submit the first draft of the Audit report as per the prescribed format to PoP seeking management remarks.
- b) PoP to submit the Audit Report with management remarks to the Auditors within the specified timeline (in the absence of non-submission of management remarks by PoPs within timelines, it will be considered as 'PoP has no remarks to offer')
- c) Post-processing of management remarks by the Auditor by way of clearly indicating its view/comments/observation on management remarks submitted by PoP, the auditor to submit the report to PoP and in turn, PoP to submit the final audit report to Board /Audit Committee under copy to PFRDA. PoP to also submit the Board/Audit Committee observations on the Auditor Certificate to PFRDA, if any.

**1.5.7 Indicative processes/ guidance for verification of respective areas:**

**1. Subscriber registration and documentation/PML/AML Compliance**

- a) Checks and balances for Know Your Customer (KYC)/Customer Due-Diligence in accordance with PML Act/Rules.
- b) Procedure followed by the POP for informing the PRAN and other details to the subscribers & uploading to the CRA system of such data and transfer of clear funds to the Trustee bank.

**2. NPS-Lite Subscriber Service Request management and risk management systems**

- a) Procedure adopted for receipt of request for services from subscribers
- b) Mechanism for order management and execution of subscriber requests for service.
- c) Procedure adopted for providing online platform for NPS Lite account and operations facility
- d) Procedure followed for allotting of user id and password, change of password etc.
- e) Internal controls for online NPS Lite account access and usage.
- f) Process walk through and verification of procedure adopted for implementation of internal code of conduct and internal controls to prevent violation of guidelines or Service level standards stipulated for various activities under NPS Lite.

**3. Dealing with subscribers' funds**

- a) **Verification of internal controls adopted by the PoP while accepting banker's cheque / demand draft from subscribers**
- b) **Procedure for ensuring that receipts and payment of funds are from/to respective subscriber only'**
- c) **Verification of following books of accounts/records:**
  - i. **Register of contributions received (cheques, DDs and Cash or online transactions)**
  - ii. **Register of transaction history done by the Point of Presence upon requests from NPS Lite subscribers.**



**iii. Bank Statements**

**iv. CRA related transaction books/accounts maintained by Point of Presence (PoP)**

**v. Cash Book**

**vi. Bank Book**

All such registers should at least contain information on about Name of the subscriber, PRAN, date of receipt of contribution/ subscriber request ,contribution amount, branch name, date of depositing the contribution amount under NPS Lite into the NPS Lite Collection account of the PoP, date of SCF upload, date of fund remittance, date of uploading the service related requests including exit/withdrawal request into the CRA system, date of authorization by the PoP or any other additional parameter as may be considered by the PoP for maintenance of proper audit trail at the level of the PoP.

**4. Banking and NPS Lite account operations**

- a) Procedure for segregation of own and NPS Lite subscribers' funds and instruments (in separate accounts)
- b) Internal controls for use of subscriber bank and subscriber NPS Lite accounts only for authorized purpose.

**5. Management of branches of PoP/ facilitators and internal control**

- a) System and Policy followed for opening / closing of branch Procedure adopted to inform the same to subscribers.
- b) Periodicity and procedure adopted for inspection of branches / facilitators (if any).
- c) Reporting mechanism and mode of informing the inspection observations to branches / facilitators and follow up action plan.
- d) Policy of fixing of roles and responsibilities of officials in head office, branches and facilitators.
- e) Documentation of Internal controls and Comments on Internal controls in place.Subscriber grievance handling
- f) Mechanism to monitor complaints lodged with branches / facilitators and entry of the same in CGMS system of CRA.
- g) Mechanism to monitor complaints lodged in CGMS in CRA against POP. Maintenance of complaints register.
- h) Redressal mechanism for complaints registered against the POP Verification of subscriber grievance register and email id.
- i) Internal control for verification of complaints received through the designated email –id

**6. Maintenance of Books of Accounts**

As prescribed under extant regulations of Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and amendment



thereof, books of accounts, registers and records to be maintained, with the required details and for the stipulated period as per regulatory/supervisory requirement. All such records can be maintained electronically in retrievable mode (as and when required), however physical copies of relevant documents are to be maintained by concerned office.

### **1.6 Atal Pension Yojana**

1. PoPs registered under Regulation 3(1)(v) of Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and amendment thereof and performing activities of APY (PoPs-APY) shall ensure that the annual accounts and processes maintained under APY are audited on annual basis by an independent external chartered accountant/audit firm, as per the provisions of Operational Guidelines issued vide Circular dated 23rd December 2021 under PFRDA (PoP) Regulations, 2018 and amendment thereof.

2. The scope of such audit shall cover, inter-alia, the existence, scope, adequacy and efficacy of internal control system, procedures and safeguards, compliance with the provisions of the Pension Fund Regulatory and Development Authority Act, 2013, Pension Fund Regulatory and Development Authority(Points of Presence) Regulations, 2018 and amendment thereof and Guidelines/ Circulars/Notifications issued by the Authority, KYC norms as prescribed under PML Act/Rules and data security in respect of the operations of such Point of Presence. The Broad Scope of Audit is listed below.

3. PoPs must maintain the books of accounts and records including electronic records and documents as stipulated in the Regulations/Guidelines/Circulars/Notifications issued by the Authority from time to time.

**4. The Audit Report format along with Instructions is placed at Enclosure-5. PoPs-APY shall submit the audit report to PFRDA within 3 months from the date of closure of the accounts and the first such audit report shall be for the period April 1, 2022 to March 31, 2023. Further, for the FY 2022-23, PoPs-APY shall submit the audit report to PFRDA within 3 months from the date of issuance of this Circular.**

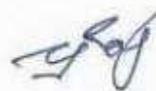
**5. The audit reports shall be reviewed by the Authority and appropriate course of action would be pursued in cases where reports are not as per the requirements.**

**6. PoPs-APY are advised to ensure compliance with the above.**

#### **1.6.1 SCOPE OF WORK**

Auditor appointed by the PoP shall conduct the audit of the PoP for activities related to APY. The Broad Scope of Work of Auditor is as under:

- i. On-boarding and registration of subscribers.
- ii. Compliance of KYC/AML/CFT guidelines issued by PFRDA by the PoP w.e.f 23rd February 2023
- iii. Collection and processing of initial contribution and subsequent contribution received from subscribers.
- iv. Uploading of Subscriber Contribution File (SCF) in CRA System and Transfer



- of Fund to Trustee Bank.
- v. Maintenance of collection account by the PoP in accordance with provisions of PFRDA (PoP) Regulations 2018 and amendments thereof or guidelines issued thereunder.
  - vi. Reconciliation of subscriber's contribution received by the PoP in the collection account and maintenance of audit trail for the same.
  - vii. Subscriber grievance handling by the PoPs as prescribed under Subscriber Grievance Regulations, 2015 and amendments thereof and circulars issued thereunder.
  - viii. Receiving and processing service requests such as change in subscriber details, address, change in frequency of contribution, upgrade and downgrade of pension amount etc. received from the subscribers in the CRA system.
  - ix. Receiving and processing of subscriber withdrawal/exit request within timelines laid down in the operational guidelines.
  - x. Adherence to the timeframe laid down under Guidelines issued by PFRDA.
  - xi. Credit of Government co-contribution to the eligible subscribers from period 2015 to 2022.
  - xii. Utilization certificate submitted to PFRDA for credit of Government Co-contribution are in order.
  - xiii. Payment of compensation by PoP for delayed activities as per laid down in extant Regulations and Guidelines.
  - xiv. Verification of supporting documents, in case of delays, due to technical reasons/beyond the control of PoP and wherever PoP has not paid the compensation or sought waiver of overdue interest.
  - xv. Maintenance of Books of Accounts by the PoP.
  - xvi. Verification of compliance report submitted by PoP to PFRDA.
  - xvii. Compliance with the Circulars/Guidelines/Notifications issued by PFRDA and/or any other Statutes.
  - xviii. Appointment and discharge of responsibilities of Compliance Officer and Principal Officer.
  - xix. Existence, scope, adequacy and efficacy of internal control system, procedures and safeguards for all the activities under APY.
  - xx. Any other activity in relation to the above.

Note: The scope as specified above is only indicative and not exhaustive.

### **Annexure -3**

#### **1.6.2 CERTIFICATE FOR AUDIT**

***(To be furnished on the letter head of the Audit Firm)***

We have examined the relevant books of accounts, records and documents maintained by M/s \_\_\_\_\_,  
(name of the Point of Presence (PoP)) bearing Pension Fund Regulatory and  
Development Authority (PFRDA) Registration Number  
\_\_\_\_\_ under Atal Pension Yojana (APY) and to fulfill the  
audit requirement, as prescribed by Pension Fund Regulatory and



Development Authority (Points of Presence) Regulations, 2018 and Guidelines issued there under, for the financial year \_\_\_\_\_.

The purpose of this audit is to examine that the processes, procedures followed and the operations carried out by the Point of Presence (including the operations by its facilitators/Banking Correspondents/any other service provider approved by the Authority) are as per the applicable Acts, Rules, Regulations, By-laws prescribed by the Authority and Guidelines, Circulars, Notifications etc. issued thereunder.

We have obtained all the information and explanations, and examined the relevant books which to the best of our knowledge and belief, were necessary for the purpose of this Audit. In our opinion, proper books of accounts, records and documents, as per the regulatory requirement have/have not been maintained by the PoP-APY. (Strike whichever not applicable).

Based on examination of the processes, procedures followed and the operations carried out by the Point of Presence, to the best of our knowledge and belief and according to the information and explanations given to us, we certify that the Point of Presence has/does not have adequate internal control for ensuring orderly and efficient conduct of its business, including adherence to Acts, Rules, Regulations, By-laws prescribed by the Authority and Guidelines, Circulars, Notifications etc. issued thereunder, safeguarding the subscriber's interest, prevention and detection of frauds and errors, accuracy and completeness of the books of accounts, records and documents. (Strike whichever not applicable)

We have conducted the audit within the framework provided by the Authority for the purpose of this Audit. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud/non-compliance/misrepresentation/violation by the Point of Presence is/is not observed during the course of this audit. (Strike whichever not applicable)

Based on the scrutiny of relevant books of accounts, records and documents, we certify that the Point of Presence has/has not complied with the relevant provisions of Pension Fund Regulatory and Development Authority Act, 2013, Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 (Chapter IV, Regulations 23-28) and various circulars of the Authority. (Strike whichever not applicable)



We declare that we do not have any direct / indirect interest in or relationship with the Point of Presence or its shareholders / directors / partners / proprietors / management and also confirm that we do not perceive any conflict of interest in such relationship / interest while conducting audit of the said PoP-APY.

In our opinion and to the best of our knowledge based on information provided and according to the explanations given to us by the management/compliance officer, the Report provided by us (along with Enclosure - 1 and Enclosure - 2) and subject to our observations, which covers the entire scope of the audit, is true and correct.

Name of Chartered Accountant along with seal & signature:

Name of the Proprietor / Partner:

Membership no. / CP. No.:

UDIN No.:

Date:

Place:

**Enclosure-5**

**1.6.3 Format of Audit Report specifying the minimum scope to be covered**

S. No.	Particulars	Comments of auditor (whether PoP has complied with?)	Remarks of auditor (In case of non-compliance observed)	Management comments in case of deviations
<b>A. APY subscriber registration documentation/ Anti Money Laundering Compliance/ Risk management systems</b>				
1.	Whether PoP-APY has ensured all KYC and Customer due diligence norms as per PML Act/Rules/ KYC/AML/CFT/ guidelines for APY accounts?	Yes/No/NA		
2.	Whether PoP has issued the KYC/AML/CFT policy as prescribed under KYC/AML/CFT guidelines?	Yes/No/NA		

3.	Whether APY Subscriber Registration Forms are collected / verified as per KYC filed by the applicant, processed as per the TATs prescribed under Operational Guidelines?	Yes/No/NA		
4.	Whether the acknowledgement slip / receipt with unique number / PRAN along with receipt date and stamp/signature for acceptance of Subscriber Registration Form and initial contribution has been provided to subscriber(s)?	Yes/No/NA		
5.	Whether PoP-APY or branches of PoP-APY are storing and maintaining proper records of subscriber registration form after opening of APY account?	Yes/No/NA		
6.	Whether PoP-APY has system and procedures put in place to ensure that no multiple APY accounts re- opened for the individual subscriber.?	Yes/No/NA		
<b>B. Contribution Processing</b>				
1.	Whether initial contribution is deducted after activation/ generation of the PRAN as per the prescribed timeline in the operational guidelines?	Yes/No/NA		
2.	Whether internal controls are in place for collection and of funds?	Yes/No/NA		
	Whether debit cycle is run by PoP-APY for subsequent contributions as detailed in the operational guidelines?	Yes/No/NA		
4.	Whether the SCF upload and fund remittance by the PoP-APY are as per the prescribed TATs of operational guidelines?	Yes/No/NA		
5.	Whether compensation is being paid by the POP-APY in case of all delayed transactions as per the rates prescribed under operational guidelines?	Yes/No/NA		
6.	Whether subscribers' funds are processed and remitted to Trustee Bank or refunded to subscriber? In case, the funds are not being remitted to system despite collection from subscriber without any justifiable reason, such instances to be provided	Yes/No/NA		
7.	Whether any additional amount towards admin fee, processing fee etc. is charged from the subscriber by PoP-APY or facilitators / BCs / any other service providers as engaged by PoP?	Yes/No/NA		
<b>C. Service Requests</b>				

1.	Whether the service requests are being processed as per prescribed TATs under operational guidelines?	Yes/No/NA		
2.	Whether PoP has conducted the due-diligence during the processing of subscribers change request with respect to KYC details (Name, DoB, Address, Mobile number), and also ensured that the change in KYC details is first being carried out in the KYC of saving bank account?	Yes/No/NA		
3.	Whether the acknowledgement slip / receipt with unique number along with receipt date and stamp/signature for subscribers' request(s) has been provided to subscriber(s)?	Yes/No/NA		
<b>D. APY Subscriber Grievance handling</b>				
1.	Number of APY subscriber complaints / grievances pending for more than 30 days in CGMS at CRA portal as on 31st March _____.	No. of pending grievances: Remarks(if any):		
2.	Whether the directly received grievances in respect of APY by the POP-APY are being lodged under the CGMS?	Yes/No/NA		
3.	Whether all grievances in CGMS at CRA portal are being resolved within the time frame provided in Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015?	Yes/No/NA		
4.	Whether the name, e-mail IDs and telephone number/s of the designated Grievance Redressal Officer (GRO) and the escalation matrix prescribed under PFRDA (Redressal of Subscriber Grievance) Regulations, 2015 and amendments thereof are made public through display on website preferably and/or at branches?	Yes/No/NA		
<b>E. Exit</b>				
1.	Number of pending exit requests at the level of the PoP-APY as on 31st March _____.	No. of pending requests: Remarks (if any):		
2.	Whether the exit requests are processed by the PoP-APY as per the TATs prescribed under Operational Guidelines?	Yes/No/NA		

3.	Whether the exit requests are provided by the subscribers/claimants in the format as prescribed by the Authority and also processed by the PoP as per the KYC/AML/CFT guidelines and Standing Operating Procedure prescribed by the CRA?	Yes/No/NA			
4.	Whether acknowledgement slip / receipt with unique number along with receipt date and stamp/signature is provided to the subscriber for exit request(s) as per the TATs prescribed under Operational Guidelines?	Yes/No/NA			
5.	Whether the signature of the subscriber is verified with the records for processing the exit requests?	Yes/No/NA			
6.	Whether supporting documents (as prescribed by the Authority from time to time) are obtained from the subscriber/claimant?	Yes/No/NA			
7.	Whether the PoP-APY sends physical exit forms (Death Claim) to the CRA, if required, after authorizing and/or before processing the same at their end?	Yes/No/NA			
8.	In case where the exit and withdrawal requests has been rejected at CRA, whether the subscriber/claimants are contacted and reasons for rejection of claim are explained to the subscriber / claimants and requisite rectifications (if any) are carried out by obtaining requisite documents from the subscriber/claimant?	Yes/No/NA			
9.	Whether PoP has ensured that the Exit proceeds are credited to the designated subscriber/claimant saving bank account?	Yes/No/NA			
<b>F. Maintenance of books of accounts, registers and records with the required details and for the stipulated period as per the regulatory requirement</b>					
1.	Whether PoP has maintained all books of accounts and record keeping as prescribed under extant of Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018 and amendment thereof and KYC/AML/CFT guidelines?	Yes/No/NA			

2.	Whether the PoP-APY maintains branch-wise audit trail of all transactions processed under APY like - date of receipt of application form/contribution, date of issuance of receipt to the subscriber, date of SCF upload, date of fund remittance to the Trustee Bank, date of receipt of forms at the head office/nodal office, date of receipt and processing of other subscriber related requests etc.?	Yes/No/NA			
3.	Whether the record of operational guidelines/circulars/notices/directions/regulations issued by Department of Posts/the Authority from time to time is being maintained by the PoP-APY?	Yes/No/NA			
<b>G. Government Co-contribution</b>					
1.	Whether PoP-APY upon receipt of Government Co-contribution under APY has transferred /credited such amount into the respective saving bank account of the subscriber for the tranches released by the PFRDA for period 2015 to 2022.	Yes/No/NA			
2.	Whether PoP-APY has returned un-utilized funds received as Government Co-contribution which could not be transferred/credited into the respective saving bank account of the APY subscriber due to some reasons and transfer/credit back the same into the account maintained at PFRDA?	Yes/No/NA			
3.	Whether the PoP has maintained the copy of Utilization Certificates submitted to PFRDA for all the tranches released by the PFRDA for period 2015 to 2022?	Yes/No/NA			
4.	Whether the Utilization Certificate submitted by the PoP for period 2015 to 2022 is correct and in order? In case of any discrepancy, the same may be listed and revised UCs to be submitted to PFRDA	Yes/No/NA			
<b>H. Compliance Reporting</b>					
1.	Whether reports submitted by the PoP-APY to PFRDA during last financial year are correct?	Yes/No/NA			
2.	Whether the details of APY related activities undertaken by facilitators/BCs are included and reported by the PoP in their periodic compliance reporting, as prescribed?	Yes/No/NA			
3.	Whether PoP is monitoring the transactions and comply with reporting obligations prescribed under KYC/AML/CFT guidelines?	Yes/No/NA			

4.	Whether POP has appointed the compliance officer / Principal Officer/ designated director as prescribed under extant PoP regulations/ KYC/AML/CFT guidelines and also intimated any change in regard to the same to the Authority?	Yes/No/NA			
<b>I. Adherence to Code of Conduct</b>					
1.	Whether PoP is adhering to the Code of Conduct as specified under Regulations?	Yes/No/NA			
2.	Any other matter/s, which you may like to bring to the attention of the management of PoP or Authority may be additionally provided as Annexure.	Yes/No/NA			

I/We confirm to consider the sample size of the entity while conducting the audit for the FY \_\_\_\_\_ under APY as per the below mentioned categories and Instructions under para B (b):

Category A: Minimum 10 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base up to 10,000

Category B: Minimum 20 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base of up to 10,000 to 50,000.

Category C: Minimum 25 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base of 50,000 to 2,00,000.

Category D: Minimum 30 or 100% of total transactions/instances/cases per month whichever is lower for PoPs having a subscriber base above 2,00,000 to 10,00,000.

Category E: Min 50 or 100% of total transactions/instances/cases per month whichever is lower for POPs having a subscriber base above 10,00,000.

**Note:**

- Please tick mark the relevant category, as applicable to the entity
- The minimum sample size is prescribed for each activity performed by the PoP such as on boarding of \_\_\_\_\_ subscribers, transaction related to initial contribution, transaction related to subsequent contributions, subscribers request processing and exit and withdrawal request processing.
- Subscriber base as on end of the FY for which the audit is conducted to be taken.
- Sample size indicated is minimum sample size. Auditor may determine the optimum sample so as to be able to satisfy himself/ herself about the objectives of the audit.

Signature of the Auditor & Stamp of Audit Firm:

Name of the Auditor:

Membership no. /CP. No.:

UDIN No.:

Date:

Place:

**Enclosure -6 1.6.4**

**Details of APY collection account maintained by PoP-APY as on 31<sup>st</sup> March**



**Section 1–Details of closing balances on 31<sup>st</sup> March**

S. No.	Bank account number	Name of the Bank	Name of collection account	Closing Balance	Balance held for no. of subscribers

**Section 2–Details/bifurcation of the balance outstanding as on 31<sup>st</sup> March**

S. No.	Name of the subscriber / PRAN /SCF Transaction details	Amount received	Date of receipt of clear fund	Date of remittance to the Trustee Bank if done after 31 <sup>st</sup> March	Reasons for withholding the Subscribers funds beyond TAT, if delay

Name of the Auditor: Membership no. / CP. No.: UDIN No.:	Name of the Compliance officer:
Signature of the Auditor: Stamp of the Audit firm:	Signature of the Compliance officer along with office seal:
Date:	Date:
Place:	Place:

Attach separate sheet for each section separately, if required.

**1.6.5 INSTRUCTIONS**

These instructions are only indicative in nature and not exhaustive. These have been prepared based on the regulatory/supervisory requirement (as per relevant Acts, rules, regulations and circulars) which keep evolving from time to time. The auditors should peruse them and report other irregularities, if observed while conducting audit.

**Instructions to both Auditor and PoP:**

a) The copy of audit report should be submitted to PFRDA by PoP as per the report format specified above.

**b) Instructions to Auditor:**

- a) The auditors should clearly indicate 'Yes' indicating Compliance, 'No' indicating Non-compliance and 'NA' wherever 'Not Applicable'.
- b) Sample size indicated in the format of IAR above is minimum sample size. Auditor may determine the optimum sample so as to be able to satisfy himself/ herself about the objectives of the audit. The indicative sample size for relevant category, as applicable to the PoP (as detailed in Enclosure - 1) shall be taken by the auditor.
- c) Auditor shall specifically declare about direct / indirect interest in or relationship with the Point of Presence or its shareholders / directors / partners / proprietors/ management if any and also confirm that they do not perceive any conflict of interest in such relationship / interest while conducting audit of the said Point of Presence.
- d) In case any violations/qualifications/observations are observed by the auditor the same shall be submitted as annexure with complete details and should be quantified specifying the number of instances, value etc. and the evidences should be enclosed with the Audit Report.
- e) Membership number allotted by the affiliated professional body should be quoted at the bottom of the report as provided in the format of IAR.
- f) Each page of the report shall be signed and stamped by the auditor/ e-signed.

**c) Instructions to PoP:**

- a) In case of any non-compliances/findings/observations/adverse remarks are made by the auditor, management remarks should be given against such point(s) by the PoP.
- b) PoP to mention the date on which the report has been presented to the Board/Management/Audit Committee for their approval and indicate corrective and preventive actions taken by the management for addressing the deficiencies along with the timeliness of when the agreed suggestions would be implemented.
- c) Improvements brought about in the operations between the last audit and the current audit shall be submitted.

Note: In case audit report submitted is incomplete and not as per the guidelines viz sample size not given, only certificate submitted without report etc, same would be treated as non-submission of audit report. The Authority reserves the right to direct a Point of Presence to either get the audit redone for completing the set audit process and format or change its auditor if quality of the report is not satisfactory or the audit is not carried out as per guidelines.

**D. Process flow for submission of Audit Report:**

- a) Auditor to submit the first draft of the Audit report as per the prescribed format to PoP seeking management remarks.
- b) PoP to submit the Audit Report with management remarks to the Auditors within the specified timeline (in the absence of non-submission of management remarks by PoPs within timelines, it will be considered as 'PoP has no remarks to offer').
- c) Post-processing of management remarks by the Auditor by way of clearly indicating



its view/comments/observation on management remarks submitted by PoP, the auditor to submit the report to PoP and in turn, PoP to submit the final audit report to Board /Audit Committee under copy to PFRDA. PoP to also submit the Board/Audit Committee observations on the Auditor Certificate to PFRDA, if any.

**E. Indicative processes/guidance for verification of respective areas by Auditor:**

**1. APY subscriber registration documentation/Anti Money Laundering Compliance/Risk management systems**

- a) Checks and balances for Know Your Customer (KYC)
- b) Systems and procedures put in place by PoP-APY for verification of KYC before opening of APY account.
- c) Procedure followed by the PoP-APY for informing the PRAN and other details to the subscribers & uploading to the CRA system of such data and transfer of clear funds to the Trustee bank.
- d) Procedure adopted by the PoP-APY for doing KYC as required under the Prevention of Money Laundering Act, 2002 (17 of 2003) including the amendments thereof or any other law through effective use of Know Your Customer verification processes, laid down by the Authority for all subscribers from the operational guidelines.
- e) Customer acceptance policy and customer due diligence measures.
- f) System and procedures put in place by PoP-APY to ensure that no multiple APY accounts are opened for the individual subscriber.

**2. APY subscriber servicing/Anti Money Laundering compliance/Risk management systems**

- a) Procedure adopted for receipt of request for services from subscribers
- b) Mechanism for order management and execution of subscriber requests for service.
- c) Procedure adopted for providing online platform for APY account and operations facility
- d) Procedure followed for allotting of user id and password, change of password etc.
- e) Internal controls for online APY account access and usage.
- f) Process walk through and verification of procedure adopted for implementation of internal code of conduct and internal controls to prevent violation of guidelines or Service level standards stipulated for various activities under APY.

**3. Dealing with subscriber funds/Risk management systems**

- a) Verification of internal controls adopted by the PoP-APY while accepting banker's cheque / demand draft from subscribers.
- b) Procedure for ensuring that receipts and payment of funds/securities are from/to respective subscriber only.
- c) Verification of following books of accounts and records including:
  - i. Register of contributions received
  - ii. Register of transaction history done by the Point of Presence upon requests from APY subscribers.
  - iii. CRA related transaction books/accounts maintained by PoP-APY.
  - iv. Cash Book.



v. Bank Book.

All such records should at least contain following information: Name of the subscriber, PRAN, date of debit from saving bank account of subscriber / subscriber request, contribution amount, branch name, date of credit, the contribution amount under APY into the Collection account of the PoP-APY, date of SCF upload, date of fund remittance, date of uploading the service related requests including exit request into the CRA system, date of authorization by the PoP-APY or any other additional parameter as may be considered by the PoP-APY for maintenance of proper audit trail at the level of the PoP-APY.

**4. Banking and APY account operations including handling of Government Co-contribution**

- a) Procedure for segregation of own and APY subscribers' funds and instruments (in separate accounts).
- b) Internal controls for use of subscriber bank and subscriber APY accounts only for authorized purpose.
- c) Government Co-contribution received by the PoP-APY has been credited to the subscriber saving bank account and un-utilised funds are credited back to PFRDA.
- d) Tranche-wise released Government co-contribution to the PoP may be obtained from the Protean-CRA for verification of records.

**5. Management of Facilitators /Business Correspondents (BCs)/any other service provider approved by the Authority and internal control**

- a) System and policy followed for opening / closing of branch. Procedure adopted to inform the same to subscribers.
- b) Periodicity and procedure adopted for inspection of facilitators /BCs)/any other service provider approved by the Authority (if any).
- c) Reporting mechanism and mode of informing the inspection observations to PoP-APY branches /facilitators/BCs/any other service provider approved by the Authority and follow up action plan.
- d) Policy of fixing roles and responsibilities of officials in PoP-APY's head office, branches and facilitators/BCs/any other service provider approved by the Authority.
- e) Documentation of internal controls and comments on internal controls in place.

**6. Subscriber grievance handling**

- a) Mechanism to monitor complaints lodged with PoP-APY branches and entry of the same in CGMS system of CRA.
- b) Mechanism to monitor complaints lodged in CGMS in CRA against PoP-APY. Maintenance of complaints register.
- c) Redressal mechanism for complaints registered against the PoP-APY. Verification of subscriber grievance register and email id.
- d) Internal control for verification of complaints received through the designated email-ID

**7. Maintenance of Books of Accounts**

As prescribed under Regulation 17 of Pension Fund Regulatory and Development Authority (Points of Presence) Regulations, 2018, books of accounts, registers and records to be maintained, with the required details and for the stipulated period as per

regulatory/supervisory requirement. All such records can be maintained electronically in retrievable mode (as and when required), however physical copies of APY application forms, subsequent service request forms and voluntary exit & death claim documents etc. are to be maintained by concerned office and should be retrievable, as and when required.

**F. References:**

Please refer following website for more information:

- a) [www.pfrda.org.in](http://www.pfrda.org.in)
- b) [www.npstrust.org.in](http://www.npstrust.org.in)
- c) [www.npscra.ns](http://www.npscra.ns)

**8. Deliverables and Timeline:**

Audit Year	Schemes Covered	Deliverables	Deadline (from Date of Signing of Contract)	Remarks
FY 2022-23	NPS, NPS-Lite, NPS-ACM, APY	Monthly audit reports + Consolidated annual audit report for each scheme	Within 4 months	Reports for all 4 schemes to be submitted together
FY 2023-24	NPS, NPS-Lite, NPS-ACM, APY	Monthly audit reports + Consolidated annual audit report for each scheme	Within 8 months	All 4 scheme reports to be submitted together
FY 2024-25	NPS, NPS-Lite, NPS-ACM, APY	Monthly audit reports + Consolidated annual audit report for each scheme	Within 12 months	All 4 scheme reports to be submitted together

**Payment Terms**

The Auditor shall submit invoices for payment in accordance with the deliverables and approval stages specified below. Payments shall be released based on submission and approval of audit deliverables for each of the three financial years covered under the contract. The following payment schedule shall apply:

**a. For FY 2022-23:**

**60% of 30%** of the contract value shall be paid upon submission of the complete set of audit deliverables (monthly and consolidated annual report). **Remaining 40% of 30%** of the contract value shall be paid upon formal acceptance and approval of the said audit report by the **Pension Fund Regulatory and Development Authority (PFRDA)**.

**b. For FY 2023-24:**

**60% of 30%** of the contract value shall be paid upon submission of the audit deliverables for FY 2023-24. **Remaining 40% of 30%** of the contract value shall be paid after formal approval by PFRDA.

**c. For FY 2024-25:**

**60% of 40%** of the contract value shall be paid upon submission of audit deliverables for FY 2024-25. **Remaining 40% of 40%** of the contract value shall be paid after formal approval by PFRDA.

In the event of delay in submission of audit deliverables for any financial year beyond the specified timelines (as defined in Deliverables and Timelines), the Department of Posts shall levy liquidated damages at the rate of **0.5% of the contract value attributable to the respective financial year** per week or part thereof, for the corresponding phase of delay. Liquidated damages shall be **calculated separately for FY 2022-23 (30% of contract value), FY 2023-24 (30% of contract value), and FY 2024-25 (40% of contract value)**.

The maximum liquidated damages for delay in each financial year shall be capped at **10% of the contract value attributable to that financial year**. The delay shall be calculated from the due date of submission (4, 8, and 12 months respectively from the contract date), irrespective of whether the contract is active at the time of submission. (85)

## List of Circles / PAOs

Sl No	Name of Circle	Name of PAO
1	Andhra Pradesh	Vijayawada
2	Assam	Guwahati
3	Bihar	Patna
4	Chhattisgarh	Rajpur
5	Delhi	Delhi
6	Gujarat	Ahmedabad
7	Haryana	Ambala
8	Himachal Pradesh	Sunder Nagar
9	Jammu & Kashmir	Jammu
10	Jharkhand	Ranchi
11	Karnataka	Bangalore
12	Kerala	Thiruvananthapuram
13	Madhya Pradesh	Bhopal
14	Maharashtra	Nagpur
15	North East	Shillong
16	Odisha	Cuttack
17	Punjab	Kapurthala
18	Rajasthan	Jaipur
19	Tamil Nadu	Chennai
20	Telangana	Hyderabad
21	Uttar Pradesh	Lucknow
22	Uttarakhand	Dehradun
23	West Bengal	Kolkata

*guy*

**Section VI-A: List of Key Experts and Required Qualifications:**  
RFP Document No. RFP No./RFP/IA-NPS/2024-25

Tender Title: Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025  
(Ref ITA-clause 1.4)

Note for Auditors: Regarding this Section, Auditors must fill following forms:

1.0 Form T-5: Key Expert Curriculum Vitae (CV)

The total estimated inputs of the Key Experts and their breakup is given below:

S no	Key position	Minimum Qualification / Training (general and relevant)	Professional expertise		Sector / Area of experience desirable	No. of Experts	Man-Months/ Unit	Total Man-months
			Total	Minimum in the sector/ area of experience				
1	2	3	4	5	6	8	9	10 = (8X9)
K-1	Principal Auditor (Firm authorized Partner)	CA	1	10	Auditing	1	12 Months	12 Months
K-2	Qualified Assistant	CA	1	5	Auditing	1	12 Months	12 Months
K-3	Semi Qualified Assistant	CA-Intern	1	3	Auditing	1	12 Months	12 Months
K-4	Other Assistant	B.Com/M.Com or other Commerce/Accountancy related Degrees	1	2	Auditing	1	12 Months	12 Months
Total estimated inputs of the Key Experts						4		

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## Section VII: Evaluation/ Scoring Criteria

RFP Document No. RFP No./RFP/IA-NPS/2024-25

Tender Title: Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025

(Ref ITA-clause 1.4)

Auditors must fill up the following Forms regarding this Section:

- a) Form T-2: Clarification on Scope of Work/Terms of Reference
- b) Form T-3: Understanding of the context of auditing NPS, NPS-Lite, NPS-ACM and APY in Department of Posts. Description of Technical approach and methodology in responding to the Terms of Reference (Maximum in 5000 words)
- d) Form T-4: Presentation on the proposed concept and plan for the study by the Team Leader
- e) Form T-5: Key Experts' Curriculum Vitae (CV)

### Technical Proposal

Criteria, sub-criteria, and point system for scoring the points for Technical Proposal:

Sr. No.	Technical Criteria	Sub Criteria	Maximum Marks
A	Adequacy and quality of the proposed methodology in responding to the	(i) Understanding of the context of auditing NPS, NPS-Lite, NPS-ACM and APY in Department of Posts.	10



<p>Terms of Reference (TORs): (A detailed write up not exceeding 5000 words to be provided by the Auditing firm along with their bid submission. Due weight age to each aspect mentioned below)</p>	<p>(ii) Technical approach and methodology and adherence to TOR for carrying out the assignment.</p>	10
<p><b>B</b> Qualification and experience of the key team members (Self attested CV of the proposed team to be attached by the bidder at time of bid submission highlighting the relevant experience)</p>	<p><b>(i) Qualification and experience of Principal Auditor (Team leader should have CA qualification with minimum 10 years experience in Auditing):</b></p> <p>a. If more than 20 Years experience for Principal Auditor in the areas related to Auditing <b>(10 marks)</b></p> <p>b. If 16-20 years of experience for Team leader in the areas related to Auditing <b>(7 marks)</b></p> <p>c. If 10-15 years of experience for Team leader in the areas related to Auditing <b>(5 marks)</b></p>	<p><b>Total</b> 20</p> <p>10</p>

	<p>(ii) Qualification and experience of Qualified Assistant (Qualified Assistant should have CA qualification minimum 5 years experience in Auditing) -</p> <p>a. If more than 15 years experience in Auditing (5 marks)</p> <p>b. If 11-15 years of experience Auditing (3 marks)</p> <p>c. If 5-10 years of experience in Auditing (2 Marks)</p>	5
<p><b>C</b></p> <p>Qualification of the Auditing Firm.</p> <p>(Signed copy of work orders in relation to POP Audits, Firm Constitution certificate, Financial Statements for the past 3 financial years,</p>	<p>(i) Average Turnover of the firm/LIP over the past 3 Financial Years (2021-22, 2022-23, 2023-24). 1 Mark per Crore of average turnover (Max - 10 Marks) Refer Minimum Eligibility Conditions.</p>	<p><b>Total</b> 15</p> <p>10</p>

*gfg*

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Certificate showing Number of Full time CA Partners have to be submitted)	(ii) No of NPS related POP Audits done. <b>2 Marks per Point of Presence Audit (Max-10Marks)</b>	10
	(iii) Age of the Firm/LLP <b>a. If more than 25 years (10 Marks)</b> <b>b. If between 15-25 years (5 Marks)</b> <b>c. If between 10-14 years (3 Marks)</b>	10
	(iv) Number of full time CA partners <b>a. If more than 10 (10 Marks)</b> <b>b. If 8-10 (7 Marks)</b> <b>c. If 5-7 (5 Marks)</b> Minimum of 5 partners should be there.	10
<b>Total</b>		<b>40</b>

D	<p>Presentation on the proposed concept and plan for the study by the Principal Auditor (Presentation of not more than 15 minutes to be given before CEC either in physical mode or online mode on date and time decided by CEC before opening of the technical bid)</p>	<p>Understanding of NPS and pension schemes - <b>(5 Marks)</b></p> <p>Understanding of Department of Posts - <b>(5 Marks)</b></p> <p>Work plan and implementation plan for auditing NPS, NPS-Lite, NPS-ACM and APY in Department of Posts - <b>(10 Marks)</b></p> <p>Knowledge of PFRDA guidelines, pension fund management rules, and compliance framework applicable to NPS and related schemes. <b>(5 Marks)</b></p>	25
		Total	25
		Total (A+B+C+D)	100

**Bidders who are eligible as per the eligibility criteria and score at least 70 marks in technical evaluation would be considered as technically qualified to be a part of Financial Bid Opening.**

**Note:** Documentary evidence must be submitted for each criterion and undertaking or declaration made by the bidder must be on the company letterhead duly signed by an authorized signatory.

- a) Completion Letter / Reference Letter from relevant Senior Executive of the client to be attached for each engagement reference mentioned.
- b) If any of the criteria information is not deducible from the submitted documents, marks will not be awarded in those criteria, though Tender Evaluation Committee can ask for clarifications on their own discretion. Only qualification and experience of key members will be evaluated. The bidder may engage other resources but their qualification and experience will not be evaluated.



**BIDDING FORMS**

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**Technical Proposal and Financial Proposal**

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## Form T-1: Proposal Form (Covering Letter)

(Ref ITA-clause 9.2)

(To be submitted as part of Technical Proposal, along with supporting documents, if any)

(on Auditor's Letter-head)

(Strike out alternative phrases not relevant to you)

Auditor's Name \_\_\_\_\_

[Address and Contact Details]

Auditor's Reference No. \_\_\_\_\_ Date.....

To

Director (Internal Audit)  
Internal Audit Division  
Room No. 404, Fourth Floor,  
Dak Bhawan,  
Department of Posts,  
New Delhi - 110001

Ref: RFP Document No. RFP No./ RFP/IA-NPS/2024-25

Tender Title: Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025

Sir/ Madam

1. We, the undersigned, offer to provide consulting services in accordance with your above-referenced Request for Proposals (RFP) and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal and a separately uploaded Financial Proposal.
  - 1) Our Eligibility and Qualifications to participate
    - a) We confirm that we continue to comply with all the eligibility (including the absence of conflict of interest and debarment) and qualification criteria stipulated in the preceding C&AG empanelment shortlisting process, based on which we were shortlisted for participation in this RFP process and minimum qualification criteria as mention in Section 1 RFPL, clause no.3. We shall be duty bound to proactively inform you of any change in our compliance with these criteria as soon as it occurs.
    - b) We confirm that we don't have any Conflict of Interest as stipulated in this RFP. We shall be duty bound to proactively inform you of any change in our compliance with Conflict-of-Interest stipulations as soon as it occurs.
  - 2) Our Proposal to deliver Services:  
We offer to deliver the subject Services of requisite Performance Standards and within



Delivery Schedules in conformity with the RFP Document. The relevant details are submitted in 'Form T-3: Understanding of the context and challenges in Department of Posts, Description of Methodology in responding to the Terms of Reference and Plan for Transfer of Knowledge, Form T-4: Presentation, T-5: Key Experts Curriculum Vitae.

3) Prices:

We hereby offer to perform the Services at our lowest prices and rates mentioned in the separately uploaded Financial Proposal. It is hereby confirmed that the prices quoted therein by us are:

- (a) Based on the terms of delivery and delivery schedule confirmed by us; and
- (b) Cost break-up of the quoted cost, showing inter-alia costs (including taxes and duties thereon) of all the included incidental Goods/ Works considered necessary to make the proposal self-contained and complete, has been indicated therein, and
- (c) based on the terms and mode of payment as stipulated in the RFP Document. We have understood that if we quote any deviation from the terms and mode of payment, our Proposal is liable to be rejected as nonresponsive, and
- (d) have been arrived at independently, without restricting competition, any consultation, communication, or agreement with any other Auditor or competitor relating to:
  - i) those prices; or
  - ii) the intention to submit an offer; or
  - iii) the methods or factors used to calculate the prices offered.
- (e) Have neither been nor shall be knowingly disclosed by us, directly or indirectly, to any other Auditor or competitor before the Proposal opening unless otherwise required by law.

4) Affirmation of terms and conditions of the RFP Document:

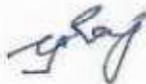
We have understood the complete terms and conditions of the RFP Document. We accept and comply with these terms and conditions without reservations, although we are not signing and submitting some of the RFP document's sections. Deviations, if any, are submitted by us. We also explicitly confirm acceptance of the Arbitration Agreement as given in the RFP Document.

5) Bid Security: We have submitted the Bid Security as

- a) Earnest Money Deposit (EMD) for the amount of Rs. 1,26,720/- only ( Rupees One Lakh Twenty Six Thousand and Seven Twenty only) valid up to in favour of .....in the form of Account Payee
- b) Demand Draft/ Fixed Deposit Receipt/ Banker's cheque/ Bank Guarantee in Form T-8, with reference number .....dated ..... , issued by..... as per the RFP Documents.

6) Abiding by the Proposal's Validity

We agree to keep our Proposal valid for acceptance for a period upto -----, as



required in the RFP Document, or for a subsequently extended period, if any, agreed to by us, and are aware of penalties in this regard stipulated in the RFP Document in case we fail to do so.

7) Non-tempering of Downloaded RFP Documents and Uploaded Scanned Copies  
We confirm that we have not changed/ edited the contents of the downloaded RFP Document. We realise that any change noticed at any stage, including after the contract award, shall be liable to punitive action in this regard stipulated in the RFP Document. We also confirm that scanned copies of documents/ affidavits/ undertakings uploaded during the shortlisting process and this RFP are valid, true, and correct to the best of our knowledge and belief. We shall be responsible if any dispute arises regarding the validity and truthfulness of such documents/ affidavits/ undertakings. We undertake to submit for scrutiny, on-demand by Department of Posts, originals and self-certified copies of all such certificates, documents, affidavits/ undertakings.

8) A Binding Contract:

We further confirm that if our proposal is accepted, all such terms and conditions shall continue to be acceptable and applicable to the resultant contract, even though some of these documents may not be included in the contract Documents submitted by us. We do hereby undertake that until a formal contract is signed or issued, this Proposal and your written Letter of Award shall constitute a binding contract between us.

9) Performance Guarantee and Signing the contract

We further confirm that if our proposal is accepted, we shall provide you with performance security of the required amount stipulated in the RFP Document for the due performance of the contract. We are fully aware that in the event of our failure to deposit the required security amount and/ or execute the agreement, Department of Posts has the right to avail of any or all punitive actions stipulated in the RFP Document.

10) Penalties for misinterpretation or misrepresentation:

We hereby confirm that the particulars given above are factually correct and nothing is concealed and undertake to advise any future changes to the above details. We understand that any misinterpretation or misrepresentation would violate the Code of Integrity and attract penalties, as this RFP Document mentions.

11) Auditor's Authorized Signatory:

- a) Full Name: \_\_\_\_\_
- b) Designation: \_\_\_\_\_
- c) Signing as: \_\_\_\_\_
- d) \_\_\_\_\_

A partnership firm. The person signing the Proposal is duly authorised being a partner to do so under the partnership agreement or the general power of attorney,



A limited liability firm. The person signing is the designated partner is duly authorized being as Designated partner, so under the partnership agreement on GPA.

We confirm that we are duly authorized to submit this Proposal and make commitments on behalf of the Auditor. We acknowledge that our digital/digitized signature is valid and legally binding. Supporting documents are submitted herewith.

12) Rights of Department of Posts to Reject Proposal(s):

We further understand that you are not bound to accept the lowest or any Proposal you may receive against your above-referred RFP Document.

.....  
(Signature with date)

.....  
(Name and designation)  
Duly authorized to sign Proposal for and on behalf of  
[name, address, and seal of Auditor]



RFP Document - RFP No./ xxxx

**Form T-2: Clarifications on the Terms of Reference (Scope of Work)**

(To be submitted as part of Technical Proposal) (Along with supporting documents, if any)  
(on Auditor's Letter-head)

Ref: RFP Document No. RFP No./RFP/IA-NPS/2024-25

Tender Title: : Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025

Services Auditor's Name \_\_\_\_\_

[Address and Contact Details] \_\_\_\_\_

Auditor's Reference No. \_\_\_\_\_

Date:.....

Form T-3: Only clarifications on scope of work/Terms of Reference will be entertained.

Specifically mention where your proposal deviates from Section VI: Terms of Reference.

**A - ON THE TERMS OF REFERENCE/Scope of Work**

**Query must be asked in the following format within 7 days form the date of uploading of RFP;**

Sl.No	Clause in respect of Term of Reference	Reproduce the clause	Queries	Comments of Bidder including Justification

**Form T-3: Understanding of the context of auditing NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, Description of Approach, Methodology in Responding to the Terms of Reference**

(Ref ITA-clause 9.2)

(To be submitted as part of Technical Proposal) (on Auditor's Letter-head)

Ref: RFP Document No. RFP No./ RFP/IA-NPS/2024-25

Tender Title: Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025

Services Auditor's Name \_\_\_\_\_  
[Address and Contact Details]

Auditor's Reference No. \_\_\_\_\_ Date.....

Form T-3: A description on Understanding of the context context of auditing NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, Description of Approach, Methodology in Responding to the Terms of Reference **(A detailed write up not exceeding 5000 words to be provided by the Auditing firm)**  
{Suggested structure of your Response:

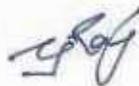
- a) Understanding the context of auditing NPS, NPS-Lite, NPS-ACM and APY in Department of Posts
- b) Technical Approach and Methodology and adherence to TOR for carrying out the assignment

**a) Understanding the context of auditing NPS, NPS-Lite, NPS-ACM and APY in Department of Posts:**

{The methodology proposed by the Auditor will be evaluated based on its adequacy and quality in addressing the Terms of Reference (TORs). It will assess the Auditor's understanding of the project's objectives and their approach to achieving the desired outcomes}

**b) Technical Approach and Methodology**

{Please explain your understanding of the objectives of the assignment as outlined in the 'Terms of Reference' (TORs), the technical approach, and the methodology you would adopt for implementing the tasks to deliver the expected output(s), and the degree of detail of such output. Please do not repeat/copy the TORs here.}



.....  
(Signature with date)

.....  
(Name and designation)

Duly authorized to sign Proposal for and on behalf of

.....  
[name, address, and seal of Auditor ]

DA: Relevant documents like technical data, literature, drawings, and other documents



## **Form T-4: Presentation on the proposed concept and plan for the study by the Team Leader**

(To be submitted as part of Technical Proposal) (on Auditor's Letter-head)

Ref: RFP Document No. RFP No./ RFP/IA-NPS/2024-25

Tender Title: Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025

Services Auditor's Name \_\_\_\_\_  
[Address and Contact Details]

Auditor's Reference No. \_\_\_\_\_ Date,.....

Presentation on the proposed concept and plan for the study by the Principal Auditor (Presentation of not more than 15 minutes to be given before CEC either in physical mode or online mode on date and time decided by CEC before opening of the technical bid on the following topics.

### **(i) Work plan for auditing NPS, NPS-Lite, NPS-ACM and APY in Dept. of Posts:**

{Please outline the plan for implementing the main activities/tasks of the assignment, their content and duration, phasing and interrelations, milestones (including interim approvals by Department of Posts), and tentative delivery dates of the reports. The proposed work plan should be consistent with the technical approach and methodology, showing your understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents (including reports) to be delivered as final output(s) should be presented}

### **(ii) Understanding of NPS and pension schemes**

### **(iii) Understanding of Department of Posts**

### **(iv) Knowledge of PFRDA guidelines, pension fund management rules, and compliance framework applicable to NPS and related schemes**



## Form T-5: Key Expert Curriculum Vitae (CV)

For all Key Experts separately and duly signed by them and countersigned by authorized signatory.

(Ref ITA-clause 9.2)

(To be submitted as part of Technical Proposal)

(Along with supporting documents, if any)

(on Auditor's Letter-head)

Ref: RFP Document No. RFP No./ RFP/IA-NPS/2024-25 Tender Title: Auditing Services for GST

Services Auditor's Name \_\_\_\_\_

[Address and Contact Details]

Auditor's Reference No. \_\_\_\_\_ Date.....

Position Title and No.	{e.g., K-1, PRINCIPAL AUDITOR}
Name of Expert:	{Insert full name}
Date of Birth:	{day/month/year}
Residence	

**List of key experts and required qualification mentioned in Section VI(A) to be submitted**

Employment record relevant to the assignment: {Starting with present position, list in reverse order. Please provide dates, name of employing organization, titles of positions held, types of activities performed and location of the assignment, and contact information of previous Procuring Entities and employing organization(s) who can be contacted for references. Past employment irrelevant to the assignment does not need to be included.}

Experience	Number of Years/Period	Employing organization and your title/position. Contact information for references	Brief summary of activities performed in assignments
Total Experience in the areas related to auditing <b>(For Principal Auditor)</b>	[e.g., May 2021-present]	[e.g., Ministry of ....., advisor/Auditor to... For references: Tel...../e-mail.....; Mr--- --	
Experience in the areas related to Auditing <b>(Qualified Assistant)</b>	[e.g., May 2021-present]	[e.g., Ministry of ....., advisor/Auditor to... For references: Tel...../e-mail.....; Mr--- --]	





## FORM-T-6 (Qualification Criteria of the Auditing Firm – Compliance)

(Along with supporting documents)  
(On Auditor's Letter-head)

**Ref:** RFP Document No. RFP No./ RFP/IA-NPS/2024-25

**Tender Title:** Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025

Auditor's Name \_\_\_\_\_ [Address and Contact Details]

Auditor's Registration No. \_\_\_\_\_ Date.....

### Note to Auditor:

The Procuring Entity reserves its right to call for verification originals of all self-certified copies of stipulated documents supporting the fulfilment of qualifying criteria during the RFP Process. If the shortlisted Auditor falls at that stage to provide such originals or, in case of substantive discrepancies in such documents, it shall be construed as a breach of the Code of Integrity. Such RFP proposals shall be liable to be rejected as nonresponsive in addition to other punitive actions for such a breach.

### Minimum Qualification Criteria

Criteria	Qualification Criteria Met (Yes, or No)	Supporting Documents Submitted (Yes or No)
Minimum of 5 full time practicing CA partners with the Audit firm. (Certificate showing Number of Full time CA Partners have to be submitted.)		
Should have minimum receipt or annual turnover of Rs 2 Cr and more in each of the previous three financial years (ie. 2021-22, 2022-2023 and 2023-24). (Financial statements for the past 3 years have to be submitted.)		
Age of the Auditing firm/LLP should be of minimum 10 years as on 31.03.2024. (Firm Constitution certificate have to be submitted.)		
Details of NPS related POP Audits done by the firm. (Signed copy of work orders in relation to POP Audits must be submitted)		
Firm shall have presence in Delhi and Mysore/Bengaluru. (Supporting Documents regarding presence of firms in Delhi, Mysore/Bengaluru must be submitted)		

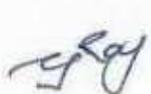
Note: Auditors shall provide evidence of their continued qualification to perform the Services satisfactorily to the Procuring Entity, as the Procuring Entity may request at any stage during the RFP process.

..... (Signature with date)

..... (Name and designation)

Duly authorised to sign RFP for and on behalf of .....

Name, address, and seal of the Auditor] DA: As above

A handwritten signature in black ink, appearing to be 'Raj', is written over the page number.

## Form T-7: Checklist for Auditors

(Ref ITA-clause 9.2)

(To be submitted as part of Technical Proposal)  
(on Auditor's Letter-head)

Auditor's Name \_\_\_\_\_  
[Address and Contact Details]

Auditor's Reference No. \_\_\_\_\_ Date.....

Ref: RFP Document No. RFP No./ RFP/IA-NPS/2024-25 Tender Title:  
Auditing Services for GST

Note to Auditors: This checklist is merely to help the Auditors prepare their Proposals; it does not override or modify the tender requirement. Auditors must do their own due diligence also.

Sr No	Documents submitted, duly filled, signed	Yes/ No
1.	Form T-1.- Proposal Form (to serve as covering letter and declarations applicable for both the technical and Financial Proposal)	
2.	Form T-2: Clarification on Scope of Work/ Terms of Reference	
3.	Form T-3: Understanding of the context and challenges in Department of Posts, Description of Methodology in responding to the Terms of Reference and Plan for Transfer of Knowledge	
4.	Form T-4: Presentation	
5.	Form T-5: Key Experts - containing all CVs	
6.	Form T-6: Qualifying Criteria – Containing all supporting documents	
7.	Form T-7: This Checklist – was ticked appropriately	
8.	Form T-8: Bank Guarantee Format for Earnest Money Deposit	
9.	Financial Proposal was separately uploaded	



## Form T-8: Bank Guarantee Format for Earnest Money Deposit

(The Bank Guarantee shall be on a Stamp Paper of appropriate value in accordance with Stamp Act and shall be purchased in the name of the guarantee issuing Bank or the Party on whose behalf the BG is being issued.)

Bank Guarantee No.....

Date.....

To,

**Director (Internal Audit)  
Internal Audit Division  
Room No. 404, Fourth Floor,  
Dak Bhawan,  
Department of Posts,  
New Delhi – 110001**

Whereas M/s.....with its Registered/ Head Office at..... (name and address of the Auditor, hereinafter called "the Auditor", which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) has undertaken to submit a proposal, in pursuance of Tender no ..... date .....(hereinafter called "the Tender").

And Whereas you (unless repugnant to the context or meaning thereof, including your successors, administrators, executors, and assigns) have stipulated in the said Tender that the Auditor shall furnish you with a bank guarantee by a Commercial bank for the sum specified therein as Earnest Money Deposit for compliance with its obligations as per the Tender;

And Whereas we ..... with our Head Office at..... (name and address of the Bank, hereinafter referred to as the 'Bank', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) have agreed to give the Auditor such a bank guarantee.

Now, Therefore, we hereby affirm that we are guarantors and responsible to you, on behalf of the Auditor, up to a total of .....(amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the Auditor to be in default under the Tender and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein, notwithstanding any difference between you and the Auditor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority.



We hereby waive the necessity of your demanding the said debt from the Auditor before presenting us with the demand.

The Bank undertakes not to revoke this guarantee during its currency without your previous consent and further agrees that the guarantee herein contained shall continue to be enforceable till you discharge this guarantee. This guarantee will not be discharged due to a change in the constitution of the Bank or the Auditor's.

We further agree that no change or addition to or other modification of the terms of the Tender made by you shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee shall be valid until the .....day of .....20.....

Our.....branch at.....\*(Name & Address of the .....\*(branch) is liable to pay the guaranteed amount depending on the filing of a claim and any part thereof under this Bank Guarantee only and only if you serve upon us at our.....\* branch a written claim or demand and received by us at our .....\* branch on or before Dt.....otherwise, the bank shall be discharged of all liabilities under this guarantee after that.

(Signature of the authorized officer of the Bank)

.....

.....

Name and designation of the officer

.....

Seal, name & address of the Bank and address of the Branch

\*Preferably at the authority's headquarters competent to sanction the expenditure for procurement of goods/services or at the concerned district headquarters or the state headquarters.



FORMATS

*John*

## Format 1: Authorization to Attend Pre-Proposal Conference

### (To be sent through email)

(Refer to ITA-clause 7)

(on Company Official Letter Head)

Auditor's Name \_\_\_\_\_

[Address and Contact Details]

Auditor's Reference No. \_\_\_\_\_ Date.....

To

Director (Internal Audit)  
Internal Audit Divisions  
Room No. 404, Fourth Floor,  
Dak Bhawan,  
Department of Posts  
New Delhi - 110001

Ref: RFP No./ RFP/IA-NPS/2024-25

Tender Title: : Hiring of an External Auditor for audit of NPS, NPS-Lite, NPS-ACM and APY in Department of Posts, India for the Financial Year 2022-2023, 2023-2024 & 2024-2025 Auditor

Subject: Authorization to attend Pre-Proposal Conference on \_\_\_\_\_ (date).

Following persons are hereby authorized to attend the Pre-Proposal Conference for the tender mentioned above on behalf of \_\_\_\_\_ (Auditor)

in the order of preference given below.

Sr.	Name	Government Photo ID Type/ Number
I.		
II.		

#### Note:

1. Maximum of two representatives (carrying valid Government photo IDs) shall be permitted to attend the Pre-Proposal opening. An alternate representative shall be permitted when regular representatives cannot attend.
2. Permission to enter the hall where the pre-Proposal conference is conducted may be refused if authorization as prescribed above is not submitted.

Signatures of Auditor or

The officer authorized to sign the Proposal.

Documents on behalf of the Auditor

[name & address of Auditor and seal of company]



**FORMAT 2: FINANCIAL PROPOSAL FORMAT**

A handwritten signature in black ink, appearing to be 'G. J.', located at the bottom right of the page.

**Item Wise BOQ**

Tender Inviting Authority: Director (Internal Audit), PAF Wing, Department of Posts, Ministry of Communications

Name of Work: External Auditors for Audit of NPS, NPS-Lite, NPS-ACM & APY in Department of Posts

Contract No: RFP No./ RFP/3-NPS/2024-25

Name of the Bidder/ Bidding Firm/ Company:

(This BOQ template must not be modified/replaced by the bidder and the same should be uploaded after filling the relevant columns, else the bidder is liable to be rejected for this tender. Bidders are allowed to enter the Bidder Name and Values only.)

**PRICE SCHEDULE**

NUMBER #	TEXT #	TEXT #	NUMBER #	NUMBER #	NUMBER #	NUMBER #	NUMBER #	NUMBER #	NUMBER #	TEXT #
Sl. No.	Item Description	Quoted Currency in INR / Other Currency	BASIC RATE (in Figures To be entered by the Bidder) without Taxes in Rs. P	GST (IGST or CGST & SGST) at Basic Rates in Rs. P	TOTAL AMOUNT Without Taxes in Rs. P	TOTAL AMOUNT With Taxes in Rs. P	TOTAL AMOUNT	TOTAL AMOUNT	TOTAL AMOUNT	TEXT #
1	Audit of NPS, NPS-Lite, NPS-ACM & APY	INR								
1.01	Total charges for auditing services	INR			0.00	0.00	0.00	0.00	0.00	INR Zero Only
	Quoted Rate in Words				0.00	0.00	0.00	0.00	0.00	INR Zero Only

**Signature Not Verified**

Digitally signed by **GOPINATH**  
Date: 2025.05.23 12:51:03 IST  
Location: eProcure-EPROC

