



Re-Tender - Request for Proposal (RFP)
for
Appointment of Portfolio Managers
for managing
Employees' State Insurance Corporation's (ESIC) Fund

Date of issue:
02 March, 2018

Deadline for submission of Proposal:
15 March, 2018 by 12:00 noon

To be submitted online and addressed to:

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
Comrade Inderjeet Gupta (CIG) Marg,
New Delhi - 110002

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1. Disclaimer

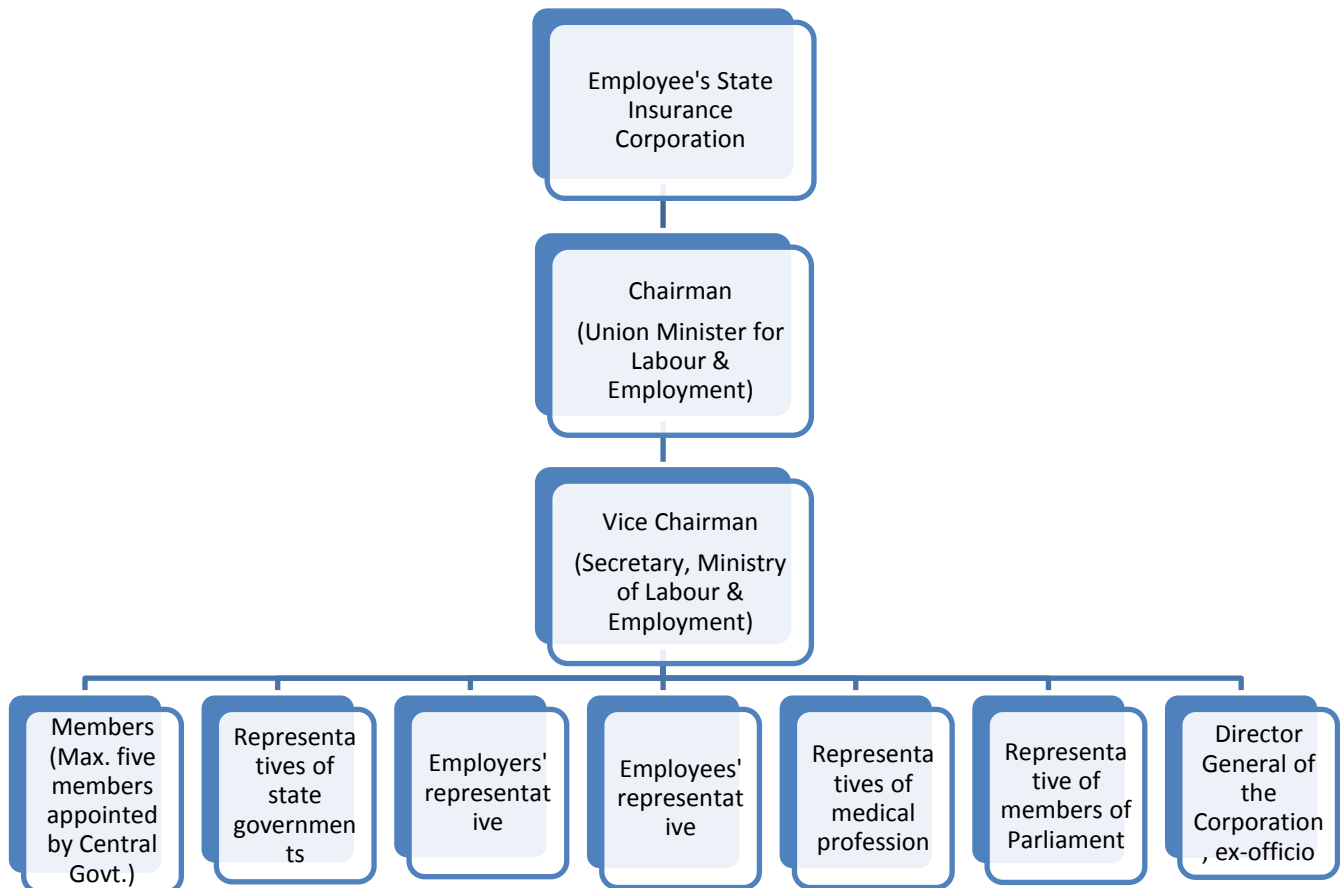
- 1.1 This document is being published in connection with the proposed appointment of portfolio managers by the ESIC.
- 1.2 This document does not constitute nor should it be interpreted as an offer or invitation for the appointment of portfolio managers described herein.
- 1.3 This document is meant to provide information only and on the express understanding that recipients will use it only for the purpose of furnishing a proposal for being appointed as a portfolio manager of the ESIC's fund. It does not purport to be all inclusive or contain all the information regarding the appointment of portfolio managers or be the basis of any contract. No representation or warranty, expressed or implied, will be made as to the reliability, accuracy or the completeness of any of the information contained herein.
- 1.4 While this document has been prepared in good faith, neither the ESIC nor any of its officers make any representation or warranty or shall have any responsibility or liability whatsoever with respect to any statements or omissions here from. Any liability is accordingly and expressly disclaimed by the ESIC and any of its officers, even if any loss or damage is caused by any act or omission on the part of the ESIC or any of its officers, or employee or consultant, whether negligent or otherwise.
- 1.5 By acceptance of this document, the recipient agrees that any information herewith will be superseded by any subsequent written information on the same subject made available to the recipient by or on behalf of the ESIC. The ESIC or any of its respective officers undertake no obligation, among others, to provide the recipient with access to any additional information or to update this document or to correct any inaccuracies therein which may become apparent, and they reserve the right, at any time and without advance notice, to change the procedure for the selection of portfolio manager or any part of the interest or terminate negotiations or the due diligence process prior to the signing of any binding agreement.
- 1.6 The ESIC reserves the right to reject any or all proposals or cancel/withdraw the RFP without assigning any reason whatsoever and in such case no intending applicant shall have any claim arising out of such action. At any time prior to the deadline for submission of proposals, the ESIC may modify, for any reason deemed necessary, the RFP by amendment notified on the ESIC website www.esic.nic.in (tenders section) and such amendments shall be binding on them.
- 1.7 The interested applicant should carry out an independent assessment and analysis of the requirements for appointment as portfolio manager and of the information, facts and observations contained herein.
- 1.8 This document has not been filed, registered or approved in any jurisdiction. The applicants should inform themselves of any applicable legal requirements and conform to the same.
- 1.9 This document constitutes no form of commitment on the part of the ESIC. Further, this document confers neither the right nor an expectation on any party to participate in the proposed appointment process of portfolio managers.
- 1.10 This document confers neither a right nor an expectation on any party to offer for appointment as portfolio manager.
- 1.11 The ESIC may not consider for the purpose of qualification, a proposal which is found to be incomplete in content and/ or attachments and/ or authentication, etc. or which is received after the specified date and time, or not delivered as per the specified procedure.
- 1.12 Without prejudice to any other rights or remedies available to the ESIC, portfolio managers may be disqualified and their proposals rejected for any reason whatsoever including those listed below:
 - 1.12.1 Material misrepresentation by the applicant in the proposal.

- 1.12.2 Failure by the applicant to provide the information required to be provided in the proposal pursuant to relevant sections of this RFP.
 - 1.12.3 If information becomes known, after the applicant has been appointed, which would have entitled the ESIC to reject or disqualify the relevant portfolio manager, the ESIC reserves the right to reject the applicant at the time, or at any time after, such information becomes known to the ESIC.
 - 1.12.4 Any conviction by a Court of Law or indictment/ adverse order by a regulatory authority that casts a doubt on the ability of the applicant to manage a fund.
- 1.13 When any proposal is submitted pursuant to this RFP, it shall be presumed by the ESIC that the applicant has fully ascertained and ensured about its eligibility to act as a portfolio manager, in the event of it being selected ultimately to act as a portfolio manager, under the respective governing laws and regulatory regimen, and that there is no statutory or regulatory prohibition or impediment to acting as a portfolio manager for the ESIC and it has the necessary approvals and permission to act as a portfolio manager and further suffers no disability in law or otherwise to act as such.
- 1.14 All proposals and accompanying documents submitted online in response to this RFP will be considered as the final submission by the applicant.
- 1.15 Reference to any laws/ regulations/ guidelines in this RFP document is applicable to laws/ regulations/ guidelines in India.

2. Introduction

2.1 The Employees' State Insurance Corporation (ESIC), India is an autonomous body under the aegis of the Ministry of Labour and Employment (MoLE), Government of India. Its main objective is to provide certain benefits to organised sector employees in case of sickness, maternity and 'employment injury' and to make provision for certain social benefits, etc.

2.2 The organisational structure of the ESIC is as follows:



The organisation functions under the overall superintendence of the corporation, headed by the Union Minister for Labour and Employment as Chairman.

3. Terms of reference

3.1 Rule 27 of The Employees' State Insurance (Central) Rule, 1950 deals with investment of ESIC Surplus Fund. The pattern of investment as per new investment policy, approved by Ministry of Labour & Employment, Govt. of India is as under:

1.	Government Securities and related instruments (Govt. bonds)	Upto 50%
2.	Debt instruments & related instruments (AAA rated PSU Bonds & Fixed Deposit of Scheduled commercial banks for more than a year, as prescribed in the M/o Finance Notification)	Upto 45%
3.	Short-term Debt instruments and related instruments (including bank fixed deposits upto 1 year and money market instruments)	Upto 5%

3.2 The ESIC intends to appoint portfolio managers for managing its fund. Portfolio managers are required to make all investments as per the investment pattern (as given in section 10 of this RFP) issued by the ESIC from time to time and the agreement between the portfolio manager and the ESIC. The appointment of portfolio managers will be typically for a tenure of three years with the objective of enhancing the performance on its portfolio and at the same time facilitating comparative monitoring of performance. Portfolio managers are required to deploy ESIC's fund to get optimum returns. Portfolio managers would be provided with actuarial inputs with regard to ESIC's assets and liabilities at least once in a year.

3.3 The total investment of ESIC as on 31 March, 2017 stands to Rs. 59,382.99 Crores, out of which investment in Special Deposit Account is Rs. 13,445.89 Crores and in fixed deposit with Public Sector Banks is Rs. 45,937.10 Crores. Investment is done in accordance with provision of section 29(2) of the ESI Act, 1948, read with Rule 27 of ESI (Central Rules), 1950.

3.4 This document is a Request for Proposal (RFP) for the appointment of portfolio managers to manage the ESIC's fund. The applicants that wish to participate in the selection process must submit their proposals as per the process defined in the RFP.

3.5 For further information about the ESIC, one can visit the website www.esic.nic.in.

4. Duties & responsibilities of the portfolio manager

The portfolio manager, while executing the role of managing the ESIC's fund must:

- 4.1 Ensure that the dedicated fund manager(s) appointed to manage the ESIC's fund should have been managing debt portfolio on a continuous basis during the preceding five (5) years, as on the date of appointment.
- 4.2 Ensure that the dedicated fund manager(s) responsible for managing the ESIC's fund do not manage any other fund other than the ESIC's fund.
- 4.3 Ensure, to the best possible extent, the fund manager(s) appointed to manage the ESIC's fund should continue in their role till the completion of the assignment. For any reason, if there is a proposed change in the fund manager(s) appointed to manage the ESIC's fund, the same should be intimated to the ESIC within 2 working days. The new fund manager(s) to be appointed to manage the ESIC's fund should have relevant experience as stipulated in 4.1.
- 4.4 Invest the fund in accordance with the ESIC's investment pattern as given in section 10 of this RFP, the guidelines issued by the ESIC from time to time and the agreement between the portfolio manager and the ESIC.
- 4.5 Ensure that no sale of securities is done without approval of ESIC. Portfolio managers need to take prior approval of ESIC for any sale of securities.
- 4.6 Maximise returns on the ESIC's fund without breaching any restriction mentioned in section 4.4.
- 4.7 Be responsible on a continuous basis for the management of the ESIC's fund allocated to it.
- 4.8 Maintain books and records about the operation and the status of the fund, and submit reports on the performance of the fund to the ESIC at such intervals and in such manner as may be required or called for by the ESIC.
- 4.9 Take all reasonable steps and exercise due diligence to ensure that the investment of the fund is not contrary to the provisions of the specified investment pattern of the ESIC given in section 10 of this RFP, guidelines issued by the ESIC and the agreement between the portfolio manager and the ESIC.
- 4.10 Exercise due diligence and care in all its decisions on investment management and operations in the best interest of the ESIC.
- 4.11 Be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the portfolio manager.
- 4.12 Not purchase or sell securities-
 - 4.12.1 Exceeding 5% or more, through any broker, of the aggregate purchases and sales of securities made by the portfolio manager, unless the portfolio manager has recorded in writing the justification for exceeding the aforesaid limit and reports all such investments to the ESIC on a quarterly basis.
 - 4.12.2 The aforesaid limits of 5% shall apply for a block of three calendar months on a monthly rolling basis.
- 4.13 Ensure that it shall not purchase securities of its holding company/ subsidiaries/ associate companies in the secondary market.

The portfolio manager shall not utilise the services of:

- a. Its holding company/ subsidiaries/ associate companies for the purpose of any securities transaction, distribution, and sale of securities in the secondary market.

- b. Its associates* or its associate brokers, employees or their relatives for the purpose of any securities transaction, distribution, and sale of securities in secondary market.

Investments can be made in primary market issuances in which its holding company/ subsidiaries/ associate companies is one of the lead managers or issuer of securities, provided there is written consensus with all other selected portfolio managers to invest in that issuance and the portfolio manager (whose holding company/ subsidiaries/ associate companies is one of the lead managers or issuer of securities) (a) does not participate in the negotiation process of the price discovery and (b) does not subscribe to more than the allocation limit applicable for that portfolio manager as defined by ESIC or 25% of the proposed subscription amount of the issuance, whichever is lower.

*Refer to section 'Glossary/definitions' for the definition of associates

- 4.14 Submit certificates from a statutory auditor, appointed by the portfolio manager, for compliance of
 - a. Sections 4.4, 4.12 and 4.13 on a quarterly basis.
 - b. Section 4.4 on an annual basis.
- 4.15 Ensure and be responsible for back office support for investment management including accounting and audit related services. The ESIC will appoint custodian and open sub accounts (one for each portfolio manager) with the custodian. Subsequently, each portfolio manager has to submit MIS to the ESIC on periodic basis.
- 4.16 File with the ESIC the details of transactions in securities entered into by the fund manager or the key personnel of the portfolio manager in their personal capacity, in securities where the ESIC fund is deployed. Also, prior reporting has to be done if the ESIC and fund manager/ key personnel of the portfolio manager in their personal capacity take position in the same securities on the same date. Portfolio managers must report any transaction in securities for the ESIC fund, which are already held by fund manager or the key personnel of the portfolio manager. The portfolio manager must also report to the ESIC, as and when required by the ESIC.
- 4.17 Ensure that a firewall is maintained both in terms of staff and systems, in respect of the fund managed for the ESIC, to segregate it from its other businesses.
- 4.18 File with the ESIC -
 - 4.18.1 Bio-data of all its Directors along with their interest in other companies within fifteen days of their appointment; and
 - 4.18.2 Any change in the interest of its Directors every six months.
- 4.19 Submit a quarterly report to the ESIC giving details and adequate justification about the purchases and sales of securities, part of the ESIC's fund, of the subsidiaries of the portfolio manager (as defined under Section 2, clause (87) of the Companies Act 2013) or the holding company of the portfolio manager (as defined under Section 2, clause (46) of the Companies Act 2013) or the associate companies of the portfolio manager (as defined under Section 2, clause (6) of the Companies Act 2013).
- 4.20 Ensure that the above duties and responsibilities are adhered to at all points of time. If there is a breach in any duties and responsibilities, the portfolio manager should rectify the same immediately after ESIC communicating it to the portfolio manager in writing. Failure to do the same would result in a penalty of 0.0004% of the total fund being managed by the concerned portfolio manager. For this purpose, the fund as on the last day of the previous month to the month in which breach has taken place would be considered. Further, ESIC reserves the right to terminate the

agreement in case of breach of any of the above duties and responsibilities, after giving notice of sixty calendar days to the portfolio manager.

- 4.21 ESIC reserves the right to terminate the agreement with selected portfolio manager if the selected portfolio manager, affiliates, agents, or any of their directors or personnel, act or omit to act, in any manner which is inconsistent with the purpose of the Agreement or in any manner which brings or is likely to bring ESIC into disrepute or which otherwise may compromise or adversely affect the reputation and standing of ESIC in any way; in ESIC's sole discretion.

5. Proposed contract terms

5.1 Tenure of appointment

The appointment of the portfolio managers shall be for a period of three (3) years. This may be extended by mutual consent of the ESIC and the portfolio manager concerned, depending on the performance of the latter. The performance of the portfolio managers shall be reviewed on a regular basis.

5.2 Duties and responsibilities of the portfolio managers

Please refer to section 4.

5.3 Custodian services

The ESIC will appoint a custodian of securities for ESIC's fund and bear all the necessary charges and fees for the services of the custodian. The appointed portfolio manager will be responsible for the activities laid down in the agreement between the ESIC and the portfolio manager.

5.4 Performance bank guarantee

The successful applicant must, at its own expense, deposit with the ESIC, within fifteen (15) working days of the date of notice of award of the contract or two (2) working days prior to signing of the contract, whichever is earlier, an unconditional and irrevocable performance bank guarantee (PBG) from a nationalised bank acceptable to the ESIC, payable on demand, for the due performance and fulfilment of the contract by the applicant. The quantum of the PBG would be Rs 10,00,00,000/- (Rs ten crore only).

5.4.1 All incidental charges whatsoever such as premium, commission, etc. with respect to the PBG shall be borne by the applicant. The PBG shall be valid till 180 days after the completion of the tenure of the appointment.

5.4.2 In the event of the applicant being unable to service the contract for whatever reason, which in the opinion of the ESIC is due to circumstances within the applicant's control, the ESIC may invoke the PBG. Notwithstanding and without prejudice to any rights whatsoever of the ESIC under the contract in the matter, the proceeds of the PBG shall be payable to the ESIC for the applicant's failure to perform/ comply with its obligations under the contract.

5.5 Review of performance

The ESIC will follow a process of periodic review of the performance of the portfolio managers. Such review will be carried out on a quarterly basis. The criteria for performance review would be finalised by the ESIC in consultation with the consultant and communicated to the selected portfolio managers. The ESIC reserves the right to change the allocation of fund for investments to portfolio managers based on its review of their performance, which would also include the efficiency of services which have been laid down in all such agreements in which the ESIC and the appointed portfolio manager(s) are party to. The re-allocation of funds will be done on an annual basis based on the criteria defined in the agreement between the ESIC and portfolio managers.

5.6 Conditions of termination

The appointment of the portfolio manager will be terminated if:-

5.6.1 The portfolio manager contravenes the conditions/ clauses as specified in the agreement with the ESIC;

5.6.2 The portfolio manager is unable to perform the duties and responsibilities as specified in the agreement;

5.6.3 If in the ESIC's opinion, the performance of the portfolio manager is unsatisfactory; and

The appointment of portfolio managers would be terminated at the end of the tenure as specified in the Letter of Appointment.

5.7 Arbitration

In case of dispute arising upon or in relation to or in connection with the contract between ESIC and selected portfolio manager(s), which has not been settled amicably, such disputes shall be referred to a sole arbitrator, appointed by the Director General, ESIC under Arbitration and Conciliation Act, 1996. Arbitration proceedings shall be held in Delhi / New Delhi, India and the language of Arbitration proceedings and that of all documents and communications between the parties shall be in English. The cost of arbitration shall be born equally by the parties. For judicial adjudication of the disputes, if any, arising out of the Contract will be subject to the jurisdiction of the Courts in Delhi / New Delhi only.

5.8 Process for transfer of assets in case of termination

It shall be the duty of the portfolio manager to ensure that it transfers all assets at the end of the completion of its tenure as portfolio manager or termination of the contract, whichever is earlier, as directed by the ESIC.

The portfolio manager shall provide all the necessary support in ensuring smooth transfer of all the funds. It shall also ensure the transfer of all the relevant documents/ records/ information in accordance with the directions issued by the ESIC.

Any form of non-support or non-cooperation or obstructions from the portfolio manager shall amount to non-performance by the portfolio manager. The ESIC reserves the right to invoke the PBG and / or take legal action against the portfolio manager in such cases.

For any delay in transfer of assets/ funds, interest at the rate of the highest yielding security purchased during the tenor of appointment would be payable to ESIC by the portfolio manager for the period of delay. Delay will be counted from the next bank working day after date of termination of the portfolio manager.

5.9 Investment of the existing ESIC fund

The newly appointed portfolio managers would have the responsibility and discretion to invest the incremental flow to the ESIC's fund which would be allocated to them by the ESIC. In addition, they could also be allocated a portion of the fund from the existing portfolio of the ESIC.

5.10 Payment schedule

The fee/ charges payable to the portfolio manager would be paid on the fresh investments made during the quarter and settled on a quarter end basis. No fees would be payable on reinvestments made out of redemptions/ maturities of any investments made by the portfolio manager during the period of the current contract.

6. Electronic RFP process

6.1 Steps in electronic RFP process:

6.1.1 Applicants wishing to participate in the electronic RFP process may get themselves registered at <https://esictenders.eproc.in> for submission of proposal in the electronic form as per the terms defined in this document.

6.1.2 Applicants are required to procure Class-IIIB Digital Signature Certificate (DSC) with both DSC components, i.e. signing & encryption to participate in E-tenders.

6.1.3 Applicants should add the below mentioned sites under Internet Explorer -> Tools ->Internet Options -> Security -> Trusted Sites -> Sites of Internet Explorer:

<https://esictenders.eproc.in>

<https://www.tpsl-india.in>

<https://www4.ipg-online.com>

Also, Applicants need to select "Use TLS 1.1 and Use TLS 1.2" under Internet Explorer -> Tools -> Internet Options -> Advanced Tab -> Security.

Applicants needs to submit Bid Processing Fee charges of Rs. 2495/- (non-refundable) in favour of M/s. C1 India Pvt. Ltd., payable at New Delhi via Online Payment Modes such as Debit Card, Credit Card or Net Banking for participating in the Tender.

Applicants can contact our Helpdesk at <https://esictenders.eproc.in/html/Support.asp>

6.1.4 The applicants should fill up the online detail, complete in all respect, and submit the required documents as per the terms of this RFP on or before 15 March, 2018, 12:00 noon.

6.1.5 The applicants shall deposit Earnest Money Deposit [EMD] of Rs 5,00,000 [Rupees Five Lakhs only] through NEFT/ ECS/ RTGS/ CBS in Syndicate Bank, Indraprastha Estate Branch, New Delhi-110002, A/c No.- 90172010131946, IFSC Code - SYNB0009017, MICR 110025021. Account Name - Employees' State Insurance Corporation, payable on or before 15 March, 2018, 12:00 noon.

6.1.5.1 After making the payment, applicant must send an E-mail at hemantkr.pandey@esic.in and jd-f1@esic.nic.in mentioning about the payment details such as UTR No., Company Name, User ID, Payment towards ESIC EMD, Tender ID and Tender Title. Failure to send remittance detail to the email ids on or before 15 March, 2018, 12:00 noon may lead to non-consideration of tender.

6.1.5.2 ESIC will refund the EMD to all the unsuccessful applicants upon signing of Investment Management Agreement with the successful Portfolio Managers. No interest shall be payable on the EMD amount.

6.1.5.3 ESIC reserves the right to forfeit the EMD if the applicant fails or refuses to accept the offer from ESIC for being appointed as the Portfolio Manager and/ or fails to sign the Investment Management

Agreement within the stipulated period and/ or refuses to accept any of the terms of the Investment Management Agreement. ESIC may also decide to debar the said applicant from future assignments.

- 6.1.6 Applicants are required to do online submission of pre-qualification, technical and financial bids (as detailed in section 8 of this document) at e-tendering portal <https://esictenders.eproc.in>.
 - 6.1.7 The authorised representative of the applicants may be present at the time of opening of the pre-qualification, technical and financial bids.
 - 6.1.8 There must be a summary of list of documents against each proposal (pre-qualification, technical and financial bids).
 - 6.1.9 Each supporting document required in the proposal should clearly indicate the serial number of the relevant section of the RFP against which the submission has been made.
 - 6.1.10 The currency of the proposal and payments shall be in Indian rupees only.
 - 6.1.11 The proposals must be submitted online only as detailed in this RFP. Proposals hand delivered or sent through registered post or courier or e-mail or any other means shall not be accepted. Proposals received in such manner will be treated as invalid and rejected.
 - 6.1.12 THE APPLICANT MUST ENSURE THAT THE SOFTCOPIES OF ALL BID DOCUMENTS COMPLETE IN ALL ASPECTS AS DETAILED IN THIS RFP ARE SUBMITTED ONLINE.
- 6.2 Completeness of bid documents
- 6.2.1 The ESIC along with the consultant appointed by it, will open and evaluate the contents of the documents received to ascertain that all documents/ information requirements are provided in the format and the manner specified.
 - 6.2.2 The ESIC may, where desired necessary, seek further clarifications from any/ all applicants in respect of any information provided in the RFP.
 - 6.2.3 The applicant must furnish clarifications within the stipulated time frame failing which the bids submitted by the applicant concerned will be treated as incomplete.
- 6.3 Evaluation of technical and financial bids
- 6.3.1 All applicants, who qualify on the pre-qualifications bid criteria as laid down in section 7.1 of this RFP would only be further evaluated on technical bids.
 - 6.3.2 The technical bids of eligible applicants will be evaluated as per the criteria specified in section 7.2 of this RFP.
 - 6.3.3 Applicants, who score at least 70% in the technical bid, would only be short-listed for the evaluation of the financial bid.

6.3.4 The final evaluation would be based on both technical (70% weight) and financial (30% weight) bids as explained in section 7.2.3 of this RFP.

6.3.5 The proposals shall be valid for a period of six (6) months from the date of opening of the financial bid.

6.4 Finalisation of portfolio managers

6.4.1 Portfolio managers will be finalised based on the evaluation process as prescribed above and the successful portfolio managers will be informed.

6.4.2 ESIC reserves the right to cancel the appointment process, call for a re-bid without assigning any reason thereof.

6.5 Key activities and dates

The expected schedule of key activities for the purpose of this RFP is outlined below:

Sr.No.	Key Activities	Due Date*
1.	Issuance of RFP	02 March, 2018
2.	Last date for submission of queries on RFP via e-mail (queries to be sent to on the e-mail ID : jd-f1@esic.nic.in)	07 March, 2018 by 11:59 p.m.
3.	Response to above queries to be uploaded on the ESIC website	09 March, 2018
4.	Last date for submitting Proposal	15 March, 2018 by 12:00 noon
5.	Pre-qualification bid opening	15 March, 2018 by 2:30 p.m.
6.	Technical bid opening for the eligible Applicants	15 March, 2018 by 5:00 p.m.
7.	Financial bid opening for the eligible Applicants	Date will be notified to technically qualified bidders
8.	Issuance of letters to selected portfolio managers	After the approval from ESIC
9.	Signing of investment management agreement	To be intimated to the selected portfolio managers
10.	Selected portfolio managers to be ready in all respects to manage allocated funds	To be intimated to the selected portfolio managers.

* The ESIC reserves the right to change any date/time mentioned in the schedule above

7. Bid evaluation criteria

7.1 The pre-qualification criteria for selection of portfolio managers is as follows:

S. No	Criteria	Supporting Document
1	The portfolio manager must have: i. At least five (5) years of experience in debt fund* management (excluding management of own funds) as on date of RFP and, ii. Average assets under management (AAUM)^ under debt funds* for the last four (4) quarters ending 31 st December, 2017 must not be less than Rs 15,000 crore.	Refer to section 8.2.1 & 8.2.2
2	The portfolio manager must be registered with the RBI or SEBI, and must be registered with SEBI to carry portfolio management service (PMS) activity.	Refer to section 8.2.3
3	The portfolio manager/ its subsidiaries/ its holding company/ its associate companies should not have been barred or suspended by any regulator or government authority or court of law in India from carrying out capital market and or money market related activities on or after 01 January 2013.	Refer to section 8.2.4
4	The portfolio manager/ its subsidiaries/ its holding company/ its associate companies are not in violation of, any applicable law or judgment by any court of law or violation of any direction/ order/ regulation by a government/ regulatory authority in India, which, individually or in the aggregate, would affect their performance of any obligations under this assignment.	Refer to section 8.2.5
5	There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or (to the best knowledge of the portfolio manager) threatened against the portfolio manager/ its subsidiaries/ its holding company/ its associate companies which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under this assignment. In case any investigation is pending against the portfolio manager/ its subsidiaries/ its holding company/ its associate companies, full details of such investigation including the name of the investigating agency, the charge/ offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the ESIC. The ESIC reserves the right to reject or disqualify the relevant portfolio manager based on the information provided above.	Refer to section 8.2.6
6	The Directors and key personnel of the portfolio manager shall be persons who have not been found guilty by any court of law.	Refer to section 8.2.7
7	The portfolio manager shall forthwith inform the ESIC of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.	Refer to section 8.2.8
8	The portfolio manager shall undertake to comply with all the extant ESIC guidelines/ directions.	Refer to section 8.2.9

S. No	Criteria	Supporting Document
9	The portfolio manager should have filed Income Tax returns for each of the last three financial years	Refer to section 8.2.10

* Debt fund management with portfolio average maturity of at least 5 years. Debt fund will include portfolios with 100% in fixed income securities under retirement funds, mutual fund, pension fund, insurance and PMS. Investment of own funds of the portfolio manager and funds under advisory / non-discretionary portfolio management should be excluded.

^For AUM book value should be used for HTM portfolios, the market value should be used for MTM portfolio

Note: Refer to Glossary/ Definitions section for the definitions of subsidiaries, holding company and associate companies of the portfolio manager

7.2 Technical evaluation parameters

The following table outlines the broad parameters based on which evaluation of technical proposals of the applicants shall be carried out by the ESIC:

7.2.1 Quantitative criteria (refer to section 7.2.3 for evaluation and scoring process)

Parameter	Measurement Criteria	Supporting Document	Weight
Experience in managing debt funds*	No of years of past experience	Refer to section 8.3.1.1	5%
Assets under management (AUM)^ of debt funds (non owned funds)	Assets managed – average of assets at the end of each quarter for all debt fund portfolios from quarter ended March 2013 to quarter ended December 2017	Refer to section 8.3.1.2	20%
Point-to-point returns for mark-to-market (MTM) portfolios of non-owned funds	Asset weighted point-to-point returns for all MTM portfolios (non-owned funds) expressed in percentage for quarterly period from quarter ended March 2013 to quarter ended December 2017	Refer to section 8.3.1.3	40%
Purchase yield for held-till-maturity (HTM) portfolios of non-owned funds	Asset weighted purchase yield for all HTM portfolios (non-owned funds), expressed in percentage as of quarter ended from March 2013 to quarter ended December 2017	Refer to section 8.3.1.4	
Total			65%

^For AUM - book value should be used for HTM portfolios, the market value should be used for MTM portfolios

*Debt fund management with portfolio average maturity of at least 5 years. Debt fund will include portfolios with 100% in fixed income securities under retirement funds, mutual fund, pension fund, insurance and PMS. Investment of own funds of the portfolio manager and funds under advisory / non-discretionary portfolio management should be excluded.

For the purpose of calculation of weighted average maturity of HTM portfolio, book value should be used. For the purpose of calculation of weighted average maturity of MTM portfolio, market value should be used.

NOTE: For the purpose of evaluation of performance of MTM and HTM portfolios, only non-owned funds would be considered. The following cases may arise for any of the portfolio managers:

Case 1: portfolio manager has only HTM portfolios – in this case the performance evaluation would be based on the asset weighted purchase yield for all HTM portfolios

Case 2: portfolio manager has only MTM portfolios – in this case the performance evaluation would be based on the asset weighted point-to-point returns for all MTM portfolios

Case 3: portfolio manager has both HTM and MTM portfolios – in this case the scaled scores of asset weighted purchase yield for all HTM portfolios and asset weighted point-to-point returns for all MTM portfolios, would be weighed by assets under HTM and MTM portfolios respectively as of the quarter ended December 2017

7.2.2 Qualitative criteria (refer to section 7.2.3 for evaluation and scoring process)

Sr. No	Objective	Parameters	Measurement criteria	Supporting Documents	Weights	Sub Weights	Sub Weights
1	Organisational Structure				10.0%		
1.1	Ownership structure and Parent support					4.0%	
1.1.1	Ownership Structure	Clarity of Majority Shareholder (MS)	MS Stake More than 75% : 5 points >50% to 75% : 4 points Largest shareholder more than 25%: 3 points More than 1 equal large shareholder : 1 point Any other shareholding pattern: 0 point	Refer to section 8.3.3.3			2.0%
1.1.2	Parent support and quality	Commonality of business	Parent is a financial services company : 5 points Parent have other businesses but financial services business is strategically important : 3 points None of the above : 0 points	Refer to section 8.3.3.4			1.0%
		Contribution to overall group bottom line (PAT) (Profit After Tax)	More than 10% : 5 points >8-10% : 4 points >6-8% : 3 points >4-6% : 2 points >2-4% : 1 point <=2% : 0 point	Refer to section 8.3.3.4			1.0%
1.2	Composition of Board of Directors/Trustee Board						
1.2.1	Board Strength	No. of board members	6-12 : 5 points 4-5 or > 12 : 3 points <4 : 0 point	Refer to section 8.3.3.5			1.0%
		No. of Independent Directors	>50% : 5 points 33%-50% : 3 points <33% : 1 point	Refer to section 8.3.3.5			2.0%
		Average experience of the Board	>15 years : 5 points >12-15 years : 4 points >10-12 years : 3 points >7-10 years : 2 points >5-7 years : 1 point <= 5 years : 0 point	Refer to section 8.3.3.5			1.0%

Sr. No	Objective	Parameters	Measurement criteria	Supporting Documents	Weights	Sub Weights	Sub Weights
1.3	Management quality					2.0%	
1.3.1	Experience	Average experience of the senior management	(Experience of the senior management – CEO/MD, CIO/Head Investments (Equity & Debt), Head Operations, Head Risk, Head sales, Head research, Proposed portfolio manager(s) for the assignment) >15 years : 5 points >12-15 years : 4 points >10-12 years : 3 points >7-10 years : 2 points >5-7 years : 1 point <= 5 years : 0 points	Refer to section 8.3.3.6			1.0%
1.3.2	Stability	Average No. of years of senior management in the current role	(Experience of the senior management – CEO/MD, CIO/Head Investments (Equity & Debt), Head Operations, Head Risk, Head Sales, Head Research, Proposed portfolio manager(s) for the assignment) >5 years : 5 points >3-5 years : 3 points >1-3 years : 1 point <= 1 year : 0 point	Refer to section 8.3.3.7			1.0%
2	Operational processes & efficiency				12.0%		
2.1	Investment processes					7.5%	
2.1.1	Investment Policy	Articulation of the roles and responsibilities of the investment, research and dealing team	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.8			3.0%
		Are dealing and fund management carried out as independent activities?	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.8			0.5%
		Are investment strategies and investment universe for all funds defined?	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.8			0.5%

Sr. No	Objective	Parameters	Measurement criteria	Supporting Documents	Weights	Sub Weights	Sub Weights
		Articulation of broker empanelment norms	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.8			0.5%
		Is the policy review process clearly laid down with details on frequency, exceptions, etc.	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.8			0.5%
2.1.2	Structure of Investment team	Organisation of investment and research functions	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.9			1.5%
		Constitution of the investment committee	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.9			1.0%
2.2	Operations					4.5%	
2.2.1	Efficiency of back office processes	Valuation policy	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points (Analysis will include aspects such as coverage of assets, responsibilities for valuations and fund manager discretion)	Refer to section 8.3.3.16			1.0%
		Integration of front, mid and back office systems	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.10			0.5%
		Documentation of disaster recovery and business continuity plans	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points (analysis will include review of BCP, data storage, etc.)	Refer to section 8.3.3.10			1.0%

Sr. No	Objective	Parameters	Measurement criteria	Supporting Documents	Weights	Sub Weights	Sub Weights
2.2.2	Compliance	Compliance Policy	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points (analysis will include details about firewalls between different businesses, trading policies, regulatory reporting, action to be taken in the event of breach etc.)	Refer to section 8.3.3.11			1.0%
2.2.3	Data Security	Data Security Policy	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points	Refer to section 8.3.3.12			1.0%
3	Risk Management				8.0%	8.0%	
3.1	Structure of Risk Team	Reporting structure	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points (will include analysis of organisation of risk function, separate and independent team, reporting structure)	Refer to section 8.3.3.13			3.0%
3.2	Risk Policy	Depth Risk limits Review	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points (analysis will include assessment of risk policy, incorporation of the roles and responsibilities of the risk team, policy review mechanism, frequency, reporting of deviations, articulation of limits for liquidity/concentration/credit/stop loss, etc. Investments in non-investment grade/unrated securities Downgrade of investments into non-investment grade	Refer to section 8.3.3.14			3.0%

Sr. No	Objective	Parameters	Measurement criteria	Supporting Documents	Weights	Sub Weights	Sub Weights
3.3	Risk Management Tools	Comprehensiveness of the tool, usage of the tool in integration.	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned on a scale of 0 to 5 points (analysis will include assessment of comprehensiveness of the tool, monitoring of investment risk limits, attribution, monitoring of market risk, etc.)	Refer to section 8.3.3.15			2.0%
4	Financial Strength				5.0%		
4.1	Capitalisation	Networth	Banks > 5000 cr : 5 points 2000 - 5000 cr : 3 points < 2000 cr : 1 points MFs / PDs / PMS / Others > 500 cr : 5 points 250 - 500 cr : 3 points < 250 cr : 1 points	Refer to section 8.3.3.17		5%	5%
TOTAL					35.0%		

7.2.3 Evaluation and scoring process (please note that the numbers used in this section are for illustrative purpose only)

7.2.3.1 Technical bid evaluation –

Table 1 (for quantitative parameters)

	Experience in managing debt fund# in no. of years	Assets Under Management (AUM) of debt funds# in Rs crore	Book Value weighted purchase yields for all HTM portfolios#	AUM weighted point-to-point returns for all MTM portfolios#
Parametric Weights	5%	20%	40%\timesK[^]	40%\times(1-K[^])
Applicant 1	5	15,000	8.90%	5.05%
Applicant 2	6	50,000	8.50%	9.84%
Applicant 3	7	17,000	8.00%	7.70%
Applicant 4	8	20,000	8.20%	6.50%
Applicant 5	9	30,000	9.10%	7.25%
Maximum	9	50,000	9.10%	9.84%
Basis for parametric evaluation	Maximum	Maximum	Maximum	Maximum

[^]Where k is weight calculated for the latest quarter i.e. quarter ending December 2017 and is equal to Book value of HTM portfolio / (Book value of HTM portfolio + Average AUM of MTM portfolio)

Fund not to include owned funds

Table2 (for quantitative parameters scoring) (derived from Table 1)

	Experience in managing debt funds# Score	Assets Under Management (AUM) of debt funds# Score	Book Value weighted purchase yields for all HTM portfolios# Score	AUM weighted point-to-point returns for all MTM portfolios# Score	Total Score based on Quantitative parameters = sum of (parametric weight*score on each parameter)
	A	B	D	E	F
Parametric Weights	5%	20%	40%\timesK	40%\times(1-K)	65%
Applicant 1	0.56	0.30	0.98	0.51	0.39
Applicant 2	0.67	1.00	0.93	1.00	0.62
Applicant 3	0.78	0.34	0.88	0.78	0.44
Applicant 4	0.89	0.40	0.90	0.66	0.44
Applicant 5	1.00	0.60	1.00	0.74	0.52

Fund not to include owned funds

Note - The parametric score for each applicant is calculated on the basis of their score on each parameter relative to the best score for that parameter. The best score would be the maximum number or amount, as disclosed by the applicants for that parameter. E.g. in case of experience in managing a debt fund, the maximum number of years of experience would be the best score. Applicant 5 would, therefore, have a score of 1 and the scores of all other applicants would be calculated relative to the best score. Applicant 1, for instance would have a score of 0.56 (5 years / 9 years). K = 0.5 has been assumed in the illustration.

^Working for applicant 1(F) = (5%*0.56+ 20%*0.30+ 20%*0.98+ 20%*0.51) = 0.39

Table 3 (for qualitative parameters)

	Organisational Structure	Operational Processes & Efficiency	Risk Management	Financial Strength
Parametric Weights	10%	12%	8%	5%
Applicant 1	4.0	3.0	3.5	4.0
Applicant 2	1.0	2.0	2.5	1.5
Applicant 3	2.0	4.0	1.5	3.0
Applicant 4	3.0	3.5	3.5	3.5
Applicant 5	3.0	3.5	3.5	3.5
Maximum	4.0	4.0	3.5	4.0
Basis for parametric evaluation	Maximum	Maximum	Maximum	Maximum

Table 4 (for qualitative parameters scoring) (derived from Table 3)

	Organisational Structure score	Operational Processes & Efficiency score	Risk Management score	Financial Strength score	Total Score based on Qualitative parameters = sum of (parametric weight*score on each parameter) Score
	G	H	I	J	K
Parametric Weights	10%	12%	8%	5%	35%
Applicant 1	1.00	0.75	1.00	1.00	0.32 [^]
Applicant 2	0.25	0.50	0.71	0.38	0.16
Applicant 3	0.50	1.00	0.43	0.75	0.24
Applicant 4	0.75	0.88	1.00	0.88	0.30
Applicant 5	0.75	0.88	1.00	0.88	0.30

Note - The parametric score for each applicant is calculated on the basis of their score on each parameter relative to the best score for that parameter. The best score would be the maximum score, as assessed during the evaluation for that parameter. E.g. In case of organisational structure, the maximum score is 8. Applicant 1 would, therefore, have a score of 1 and the scores of all other applicants would be calculated relative to the best score. Applicant 2, for instance would have a score of 0.25 (2/8).

[^]Working for applicant 1(K) = (10%*1+ 12%*0.75+ 8%*1.0+ 5%*1.0) = 0.32

7.2.3.2 Overall evaluation

Table 5 (for overall evaluation scoring) (derived from Table 2 & 4)

	Final Score of Technical Bid = Quantitative + Qualitative parameters	Eligibility for Financial Bid - Applicants with at least 70% score on Technical bid	Financial Bid	Final Score of Technical Bid	Financial Bid	Final Score =sum (parametric weight*Bid Score of each Applicant)	Rank
	(L=F+K)		(M)	(N)	(O)	(P)	
Parametric Weights				70%	30%	100%	
Applicant 1	0.71	Eligible	0.0065%	0.86	0.94	0.89	4
Applicant 2	0.78	Eligible	0.0061%	0.95	1.00	0.97	2
Applicant 3	0.68	Not Eligible	NA	NA	NA	NA	NA
Applicant 4	0.74	Eligible	0.0069%	0.90	0.88	0.90	3
Applicant 5	0.82	Eligible	0.0063%	1.00	0.97	0.99	1
Maximum / Minimum	0.82		0.0061%				
Basis for final evaluation	Maximum		Minimum				

Note - Only applicants with a minimum score of 0.70 in technical evaluation would be considered for the final evaluation. In arriving at the final score, the scores for each applicant on the technical and financial bids are calculated separately.

The scores for each applicant are scaled relative to the best score on technical and financial bids. The best scores for the technical and financial bids are the maximum score and minimum bid (as percent of the investments) respectively. E.g. In case of the technical bid, the maximum score is 0.82. Applicant 5 would, therefore, have a score of 1 and the scores of all other applicants would be calculated relative to the best score. Applicant 1, for instance would have a score of 0.86 (0.71/0.82). In case of the financial bid, the minimum bid is 0.0061%. Applicant 2 would, therefore, have a score of 1 and the scores of all other applicants would be calculated relative to the best score. Applicant 1, for instance would have a score of 0.94 (0.0061%/0.0065%). The final evaluation of each applicant would be done on the basis of their weighted average score on technical and financial bids. The technical and financial bids would have a weight of 70% and 30%, respectively.

*^Working for applicant 1 (P) = (0.70*0.86+0.30*0.94) = 0.89*

8. Format of pre-qualification, technical and financial bids

8.1 Documents comprising the proposal

The proposal submitted by the applicant shall comprise the following documents:

- 8.1.1 Pre-qualification bid with all the information, as laid down in section 8.2, duly filled in along with all attachments/ schedules duly completed and with a covering letter, as per the format defined in section 9.1, signed by the authorised representative of the applicant.
- 8.1.2 Technical bid including all the information as laid down in section 8.3, duly filled in along with all attachments/ schedules duly completed and with a covering letter as per the format defined in section 9.2, signed by the authorised representative of the applicant.
- 8.1.3 The applicant's financial bid, as per the format defined in section 8.4, along with a covering letter, as per the format defined in section 9.3, signed by the authorised representative of the applicant.
- 8.1.4 Any deviations from the requirements of the RFP must be included as a separate statement as per the format defined in section 9.5.
- 8.1.5 Any other information that is to be submitted during the course of the proposal process.
- 8.1.6 There must be a summary of the list of documents against each proposal (pre-qualification, technical and financial bids).

8.2 Pre-qualification bid format

Name of applicant:

- 8.2.1 At least five (5) years' experience of debt fund management (being management of funds which do not include management of own funds) as on date of RFP;

Sr. No.	Particulars	Details	Supporting document submitted	Remarks if any	Annexure No.
1	No. of years of experience				
2	Debt average AUM as on 31 December, 2017				

- 8.2.2 Name, inception date and AAUM[^] under debt funds* for the past four (4) quarters ended 31 December, 2017

** Debt funds management with portfolio average maturity of at least 5 years. Debt fund will include a portfolio with 100% in fixed income securities under retirement funds, mutual fund, pension fund, insurance and PMS. Investment of own funds of the portfolio manager and funds under advisory / non-discretionary portfolio management should be excluded.*

[^] For AUM, book value should be used for HTM portfolios, the market value should be used for MTM portfolios

Table 1				
Sr No.	Name of fund managed	Type of fund (Short-Term debt/ Long-Term debt/ Gilt/ Provident Fund/ Pension fund, etc.)	Inception date	Average AUM for the quarter ended 31 December, 2017 (Rs Cr)
	Total			

Please note that there should be a certification for the above by a statutory auditor.

- 8.2.3 Copy of the Registration Certificate (the first such certificate as well as the most recent renewal certificate) of the portfolio manager with RBI or SEBI, and with SEBI to carry PMS activity.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

- 8.2.4 An affidavit by the Chief Executive Officer or Managing Director or equivalent of the portfolio manager and duly notarised by a public notary, confirming that the portfolio manager/ its subsidiaries/ its holding company/ its associate companies have not been barred or suspended by any regulator or government authority or court of law in India from carrying out capital market related activities on or after 01 January, 2013.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

- 8.2.5 An affidavit by the Chief Executive Officer or Managing Director or equivalent of the portfolio manager and duly notarised by a public notary, confirming that the portfolio manager/ its subsidiaries/ its holding company/ its associate companies are not in violation of any applicable law or judgment by any court of law or violation of any direction/ order/ regulation by a government/ regulatory authority in India which, individually or in the aggregate, would affect their performance of any obligations under this assignment.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

- 8.2.6 An affidavit by the Chief Executive Officer or Managing Director or equivalent of the portfolio manager and duly notarised by a public notary, confirming that there are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or (to the best knowledge of the portfolio manager) threatened against the portfolio manager/ its subsidiaries/ its holding company/ its associate companies which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under this assignment. In case any investigation is pending against the portfolio manager/ its subsidiaries/ its holding company/ its associate companies, full details of such investigation including the name of the investigating agency, the charge/ offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be provided.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

8.2.7 An undertaking from the Chief Executive Officer or Managing Director or equivalent official of the portfolio manager certifying that the Directors and key personnel of the portfolio manager shall be persons who have not been found guilty by any court of law.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

8.2.8 An undertaking from the Chief Executive Officer or Managing Director or equivalent official of the portfolio manager certifying that the portfolio manager shall forthwith inform the ESIC of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

8.2.9 An undertaking from the Chief Executive Officer or Managing Director or equivalent official of the portfolio manager certifying that the portfolio manager shall comply with all the extant ESIC guidelines/ directions.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

8.2.10 The portfolio manager should furnish copy of income tax return for each of the last three financial years.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No.

Additional Information:

1. Names of Directors of the applicant:
2. Shareholding pattern of the promoters:
3. Name and designation of authorised representative:
4. Profitability - PAT growth (latest 3 years)
5. Applicant details:
 - i. Nature of business/ products or services offered by the applicant(s):
 - ii. Date of incorporation:
 - iii. Date of commencement of business:
 - iv. Full address including telephone nos./fax nos.:
 - v. Registered office address:
 - vi. Address for communication:

Note: The pre-qualification bid document should be duly attested by authorised personal.

8.3 Technical bid format

8.3.1 Quantitative information requirement:

The following quantitative information is required to be submitted by the applicants:

8.3.1.1 Experience in managing debt fund of non-owned funds:

Experience in the number of months and the details such as name of the third parties for whom the debt funds are being managed. The fund management experience for non-owned and owned funds

must be clearly indicated. (Provide the required data in the excel sheet named “Technical Bid Data” and tab named 8.3.1.1 provided along with the RFP document.)

Sr. No.	Number of months of experience of debt fund management		
	Number of months - Total	Number of months - non owned funds	Number of months - owned funds

List of the debt funds/ debt fund clients	
Sr. No.	Name of the fund / client

8.3.1.2 AUM of debt fund portfolios:

Total debt assets managed (owned funds and non-owned funds separately) – quarterly average of daily assets under management for all debt portfolios for 5 years (from quarter ended March 2013 to quarter ended December 2017). Provide the required data in the excel sheet named “Technical Bid Data” and tab named 8.3.1.2 provided along with the RFP document.

Quarter end dates	AAUM - debt fund portfolios (in Rs Crore)							
	Non-owned				Owned			
	Portfolio 1	Portfolio 2	Portfolio ...n	Total	Portfolio 1	Portfolio 2	Portfolio ...n	Total
	Indicate if HTM or MTM	Indicate if HTM or MTM	Indicate if HTM or MTM		Indicate if HTM or MTM	Indicate if HTM or MTM	Indicate if HTM or MTM	
31-Mar-13								
30-Jun-13								
30-Sep-13								
31-Dec-13								
31-Mar-14								
30-Jun-14								
30-Sep-14								
31-Dec-14								
31-Mar-15								
30-Jun-15								
30-Sep-15								
31-Dec-15								
31-Mar-16								
30-Jun-16								
30-Sep-16								
31-Dec-16								
31-Mar-17								
30-Jun-17								
30-Sep-17								
31-Dec-17								
Average								

Note: For HTM portfolio, the cumulative incremental portfolio should be considered for computing Average AUM of the fund. The legacy portfolio (investments not made during the required period) should not be considered. Only on the initial date the opening figures will be zero and thereafter on cumulative basis

Provide the excel sheet with calculation in the above format along with technical proposal

8.3.1.3 Point-to-point returns for MTM portfolios#:

Asset weighted point-to-point returns (for the quarter) for all MTM portfolios (owned funds and non-owned funds separately) expressed as percentage, from quarter ended March 2013 to quarter ended December 2017. In case, there are multiple plans in a portfolio, then NAVs of all the plans will need to be considered for calculating point-to-point returns. The point-to-point returns will need to be weighted by the AUM managed under each option.

Point-to-point returns for MTM portfolios (Provide the required data in the excel sheet named “Technical Bid Data” and tab named 8.3.1.3 provided along with the RFP document.)

Quarter end dates	Point-to-point returns for MTM portfolios, expressed as a percentage for the quarter ended							
	Non-owned				Owned			
	Portfolio 1	Portfolio 2	Portfolio ...n	Asset weighted point-to-point return	Portfolio 1	Portfolio 2	Portfolio ...n	Asset weighted point-to-point return
31-Mar-13								
30-Jun-13								
30-Sep-13								
31-Dec-13								
31-Mar-14								
30-Jun-14								
30-Sep-14								
31-Dec-14								
31-Mar-15								
30-Jun-15								
30-Sep-15								
31-Dec-15								
31-Mar-16								
30-Jun-16								
30-Sep-16								
31-Dec-16								
31-Mar-17								
30-Jun-17								
30-Sep-17								
31-Dec-17								
Average								

For the purpose of performance evaluation all the eligible debt portfolios would have to be segregated based on the type of valuation practice into MTM and HTM portfolios.

Provide the excel sheet with calculation in the above format along with technical proposal

8.3.1.4 Purchase yield for HTM portfolios#

Asset weighted purchase yield for all HTM portfolios (owned funds and non-owned funds separately), expressed in percentage as on quarter ending dates from March 2013 to December 2017. Purchase yield for HTM portfolios (Provide the required data in the excel sheet named “Technical Bid Data” and tab named 8.3.1.4 provided along with the RFP document.)

Quarter end dates	Purchase yield for HTM portfolios, expressed as percentage for the quarter ended							
	Non-owned				Owned			
	Portfolio 1	Portfolio 2	Portfolio ...n	Book Value weighted purchase yield	Portfolio 1	Portfolio 2	Portfolio ...n	Book Value weighted purchase yield
31-Mar-13								
30-Jun-13								
30-Sep-13								
31-Dec-13								
31-Mar-14								
30-Jun-14								
30-Sep-14								
31-Dec-14								
31-Mar-15								
30-Jun-15								
30-Sep-15								
31-Dec-15								
31-Mar-16								
30-Jun-16								
30-Sep-16								
31-Dec-16								
31-Mar-17								
30-Jun-17								
30-Sep-17								
31-Dec-17								
Average								

Note: Book value weighted purchase yield on the cumulative portfolio should be provided on the required quarter ended dates. Only on the initial date the opening figures will be zero and thereafter on cumulative basis.

For the purpose of performance evaluation all the eligible debt portfolios would have to be segregated based on the type of valuation practice into MTM and HTM portfolios.

Provide the excel sheet with calculation in the above format along with technical proposal

8.3.2 Illustrations for calculations

8.3.2.1 Illustration for calculation of average AUM for a quarter ended date

Average AUM (Rs crore) for the quarter ended 31 December, 2017		
Days	Portfolio 1 - Daily AUM (Rs crore)	Portfolio 2 - Daily AUM (Rs crore)
1-Oct-17	100	85
2-Oct-17	102	65
3-Oct-17	103	75
-	-	-
-	-	-
-	-	-
30-Dec-17	104	72
31-Dec-17	108	100
Average AUM	=AVERAGE of all the above	=AVERAGE of all the above

Note: For AUM book value should be used for HTM portfolios, the market value should be used for MTM portfolio

8.3.2.2 Illustration for purchase yield for HTM portfolios (as of quarter ended date)

Portfolio purchase yield as on 31 March, 2013									
Purchase Date	Security	Coupon	Coupon payment Frequency	Maturity Date	Purchase Price	Face Value (in Rs)	Purchase Yield	Annualised Yield	Book value (in Rs crore)
1-Jan-13	6.20% FERT CO GOI SPLBOND 2022	6.20%	2	24-Dec-22	83.79	100	8.43%	$=((1+8.43\%/2)^2)-1$ (A)	15
17-Feb-13	7.50% GOVT STOCK 2034	7.50%	2	10-Aug-34	91.50	100	8.34%	$=((1+8.34\%/2)^2)-1$ (B)	21
31-Mar-13	8.60% PFC 2019	8.60%	1	7-Aug-19	98.53	100	8.86%	$=((1+8.86\%/1)^1)-1$ (C)	14
Total Book value									=SUM of all the above (D)
Portfolio purchase yield as on 31 March, 2013									= (Ax15 + Bx21 + Cx14)/D

Note: this calculation needs to be done for each qualified HTM portfolio for all 20 quarter ended dates starting from March 2013 to December 2017.

8.3.2.3 Illustration for point-to-point returns for MTM portfolios

Portfolio point-to-point returns		
Quarter End Dates	Portfolio net asset value (NAV) per unit	Point-to-point returns for the quarter
31-Dec-12	10.5	
31-Mar-13	11	$=11/10.5-1$
30-Jun-13	11.4	$=11.4/11-1$
30-Sep-13	11	$=11/11.4-1$
31-Dec-13	9.5	$=9.5/11-1$
31-Mar-14	10	$=10/9.5-1$

Portfolio point-to-point returns		
Quarter End Dates	Portfolio net asset value (NAV) per unit	Point-to-point returns for the quarter
30-Jun-14	10.4	=10.4/10-1
30-Sep-14	12	=12/10.4-1
31-Dec-14	10	=10/12-1
31-Mar-15	11	=11/10-1
30-Jun-15	11.5	=11.5/11-1
30-Sep-15	11.6	=11.6/11.5-1
31-Dec-15	12	=12/11.6-1
31-Mar-16	12.5	=12.5/12-1
30-Jun-16	11.5	=11.5/12.5-1
30-Sep-16	10.5	=10.5/11.5-1
31-Dec-16	11.8	=11.8/10.5-1
31-Mar-17	12	=12/11.8-1
30-Jun-17	12.2	=12.2/12-1
30-Sep-17	12.5	=12.5/12.2-1
31-Dec-17	12.8	=12.8/12.5-1

Note: This calculation needs to be done for each qualified MTM portfolio.

8.3.2.4 Illustration for calculation of asset weighted purchase yield across all HTM portfolios

Quarter ended	Quarterly Average Book Value			Purchase yield		Book Value weighted purchase yield
	Portfolio 1	Portfolio 2	Total	Portfolio 1	Portfolio 2	
31-Mar-13	210	133	=210+133	7.50%	9.60%	= (210x7.50% + 133x9.60%)/(210+133)
30-Jun-13	250	157	=250+157	6.50%	9.40%	Calculated similarly as above
30-Sep-13	191	185	=191+185	4.80%	9.40%	Calculated similarly as above
31-Dec-13	205	221	=205+221	9.00%	8.75%	Calculated similarly as above
31-Mar-14	208	182	=208+182	9.50%	8.12%	Calculated similarly as above
30-Jun-14	110	170	=110+170	10.20%	8.21%	Calculated similarly as above
30-Sep-14	95	200	=95+200	9.50%	8.15%	Calculated similarly as above
31-Dec-14	114	175	=114+175	8.45%	9.00%	Calculated similarly as above
31-Mar-15	150	120	=150+120	8.65%	8.80%	Calculated similarly as above
30-Jun-15	155	130	=155+130	8.45%	9.90%	Calculated similarly as above
30-Sep-15	210	133	=210+133	7.50%	9.60%	Calculated similarly as above
31-Dec-15	250	157	=250+157	6.50%	9.40%	Calculated similarly as above
31-Mar-16	191	185	=191+185	4.80%	9.40%	Calculated similarly as above
30-Jun-16	205	221	=205+221	9.00%	8.75%	Calculated similarly as above
30-Sep-16	220	180	=220+180	9.80%	8.55%	Calculated similarly as above
31-Dec-16	208	182	=208+182	9.50%	8.12%	Calculated similarly as above
31-Mar-17	110	170	=110+170	10.20%	8.21%	Calculated similarly as above
30-Jun-17	95	200	=95+200	9.50%	8.15%	Calculated similarly as above

30-Sep-17	114	175	=114+175	8.45%	9.00%	Calculated similarly as above
31-Dec-17	85	180	=85+180	8.50%	9.15%	Calculated similarly as above
Average of book value weighted purchase yield						=AVERAGE of all the above

8.3.2.5 Illustration for calculation of asset weighted point-to-point returns across all MTM portfolios

Quarter ended	Quarterly Average AUM			Point-to-point returns		Asset weighted point-to-point returns
	Portfolio 1	Portfolio 2	Total	Portfolio 1	Portfolio 2	
31-Mar-13	190	180	=190+180	8.70%	5.00%	= (190x8.70% +180*5.00%)/(190+180)
30-Jun-13	208	175	=208+175	12.38%	2.00%	Calculated similarly as above
30-Sep-13	105	170	=105+170	1.69%	1.00%	Calculated similarly as above
31-Dec-13	95	175	=95+175	1.67%	-1.00%	Calculated similarly as above
31-Mar-14	105	170	=105+170	1.69%	1.00%	Calculated similarly as above
30-Jun-14	95	175	=95+175	1.67%	-1.00%	Calculated similarly as above
30-Sep-14	102	175	=102+175	2.46%	-6.00%	Calculated similarly as above
31-Dec-14	205	220	=205+220	-8.00%	4.00%	Calculated similarly as above
31-Mar-15	104	81	=104+81	10.00%	5.00%	Calculated similarly as above
30-Jun-15	155	122	=155+122	4.55%	4.00%	Calculated similarly as above
30-Sep-15	200	133	=200+133	0.87%	3.00%	Calculated similarly as above
31-Dec-15	250	150	=250+150	3.45%	3.00%	Calculated similarly as above
31-Mar-16	185	185	=185+185	4.17%	4.00%	Calculated similarly as above
30-Jun-16	205	220	=205+220	-8.00%	4.00%	Calculated similarly as above
30-Sep-16	198	180	=198+180	-8.70%	5.00%	Calculated similarly as above
31-Dec-16	208	175	=208+175	12.38%	2.00%	Calculated similarly as above
31-Mar-17	105	170	=105+170	1.69%	1.00%	Calculated similarly as above
30-Jun-17	95	175	=95+175	1.67%	-1.00%	Calculated similarly as above
30-Sep-17	102	175	=102+175	2.46%	-6.00%	Calculated similarly as above
31-Dec-17	85	190	=85+190	2.40%	-7.00%	Calculated similarly as above
Average of all quarterly asset weighted point-to-point returns						=AVERAGE of all the above

8.3.3 Qualitative information requirement

8.3.3.1 Annual report for the latest three years (from 2014-15 to 2016-17)

Sr. No.	For the Financial Year	Remarks if any	Annexure No.
1			
2			
3			

8.3.3.2 Organisation chart - with names and responsibility(ies)

8.3.3.3 Ownership structure - clarity of majority shareholder

Shareholding pattern including details of all shareholders holding over 1% of the share capital

8.3.3.4 Parent support and quality - Commonality of business, contribution to overall group bottom line (PAT) –

Profile of the company and other businesses (if any), scale of operations and their contribution

8.3.3.5 Board strength –

a. Details of board members in the format given below,

No. of Board Members	No. of Independent Director	Average Experience of the Board	Remarks if any

b. Profile of the board of directors of the company

8.3.3.6 Average experience of the senior management

Average Experience of the Senior Management	Remarks if any

8.3.3.7 Average no. of years of senior management in the current role

Average Experience of the Senior Management	Remarks if any

8.3.3.8 Investment policy - Articulation of the roles and responsibilities of the investment, research and dealing team. Are dealing and fund management carried out as independent activities? Are investment strategies and investment universe for all funds defined? Articulation of broker empanelment norms. Is the policy review process clearly laid down with details on frequency, exceptions, etc.?

Write-up on investment policy, investment process flow and investment research practices.

8.3.3.9 Structure of the investment team, organisation of investment and research functions, constitution of the Investment Committee - current reporting structure for the investment team, details about all the individual fund managers - educational qualifications, funds management experience, current job responsibilities, portfolios (including assets as of December 2017) managed by the individual fund managers, tenure spent with the organisation, previous employer and job responsibility (if any).

Format for details of team member

Name of the team member	
Proposed Position	
Age	
Qualification	
Experience in the relevant area	
Current Job Responsibilities	
No. of years of experience in relevant areas	
Total No. of years of experience	
Tenure spent with organization	
Any other point	

Format for details of fund manager

Name of fund manager	
Proposed Position	
Age	
Qualification	
Experience in the relevant area	
Current Job Responsibilities	
No. of years of experience in relevant areas	
Total No. of years of experience	
Tenure spent with organization	
Any other point	

- 8.3.3.10 Operations - Efficiency of back office processes : Integration of front, mid and back office systems, documentation of disaster recovery and business continuity plans
- Write-up on operations processes
- 8.3.3.11 Operations - Compliance: compliance policy
- Write-up on compliance processes
- 8.3.3.12 Data security policy
- Write-up on technology platforms, dedicated system support team, back-up processes and disaster recovery system.
- 8.3.3.13 Structure of the risk team - reporting structure
- 8.3.3.14 Risk policy - depth risk limits review
- Write-up on risk management policies
 - Write-up on system and process for determining counterparty limits
 - Details of investments in non-investment grade/unrated securities from 01 January 2013 to 31 December 2017

Date	Total value of investment in non-investment grade/unrated securities during last 1 year (calculated at cost price of investments) In Rs
31-Dec-13	
31-Dec-14	
31-Dec-15	
31-Dec-16	
31-Dec-17	

- Details of downgrades of investments to non-investment grade from 01 January 2013 to 31 December 2017

Date	Total value of investment that downgraded to non-investment grade during last 1 year (calculated at cost price of investments) In Rs
31-Dec-13	
31-Dec-14	
31-Dec-15	
31-Dec-16	
31-Dec-17	

8.3.3.15 Risk management tools - comprehensiveness of the tool, usage of the tool in integration

8.3.3.16 Write-up on securities valuation practices / policies

Write-up on any other information that the applicant thinks would be worth mentioning in the proposal.

All the above write-ups should not be more than two A4 size sheets (500 words). However, in case of standard documents such as investment policy, risk policy etc., the word limit is not applicable.

8.3.3.17 Net worth and profit after tax reported as of the end of each year (in Rs crore) from year ended March 2015 to year ended March 2017.

Year Ending	Profit After Tax	Net worth
March 2015		
March 2016		
March 2017		

Kindly note that the data needs to be provided in the format specified above and in case the data cannot be given, please write N.A. Any deviation from the format specified above can lead to non-allotment of scores for that parameter during the evaluation process.

8.4 Financial bid

8.4.1 Format for submitting financial bids

Charges	Percentage (%) In figures (excluding service tax)	Percentage (%) in Words
Investment management fee expressed as a per cent of the investments (excluding reinvestment of maturity proceeds of the investment made by the portfolio manager during the period of their current appointment) made by the portfolio manager.		

8.4.2 Illustration and other conditions of financial bid

8.4.2.1 For example, if a newly selected portfolio manager is allocated a fund of Rs 10,000 crore (= A) from new inflows, Rs 30,000 crore (= B) from the existing fund managed by the current portfolio manager, and out of the latter the newly selected portfolio manager is able to get Rs 8,000 crore (= C) through redemptions, interest flows, etc., which it would then invest appropriately; the investment management fee will be calculated on a fund of Rs 18,000 crore (D = A + C) and not on the fund of Rs 40,000 crore (E = A + B). It is to be noted that reinvestment of maturity proceeds of the investments made by the portfolio manager during the period of their current appointment will not be eligible for fees payment.

8.4.3 There will be no separate fee payable for transaction costs like brokerage etc.

8.4.4 The fee quoted should be unconditional and inclusive of the expenditure to be incurred on the work mentioned in section 5 of the RFP.

8.4.5 If idle funds exceed an amount of Rs 1,00,000/- for a period of more than two working days, the portfolio manager would have to reimburse the ESIC to the extent of SBI MCLR rate for the appropriate number of days. The starting date for the calculation of idle funds will be the following date on which the fund moves into the account. The deal date will not be counted for the calculation of idle funds.

8.4.5.1 For example, if the number of working days for which funds are idle is five and the SBI MCLR rate is 8%, the reimbursement to the ESIC would be at the rate of 8% for a period of three days.

9. Formats for covering letter, clarification, deviations and affidavit

9.1 Format for pre-qualification covering letter

(To be submitted on the official letterhead of the applicant submitting the proposal)

Ref : _____

Date/Place : _____

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
Comrade Inderjeet Gupta (CIG) Marg,
New Delhi – 110002

Dear Sir/ Madam,

Ref: Request for Proposal (RFP): Appointment of portfolio managers for the ESIC's fund

We refer to the communication inviting RFP for appointment of portfolio managers for the ESIC's fund. We have read and understood the contents of the document and wish to participate in the appointment process. We are pleased to submit our pre-qualification bid along with all the necessary documents, as mentioned in the RFP, for appointment as portfolio manager. We confirm that we satisfy the pre-qualification criteria set out in the relevant sections of the RFP.

We agree to unconditional acceptance of all the terms and conditions set out in the RFP document.

We confirm that the information contained in this proposal or any part thereof, including its exhibits, schedules, and other documents delivered to the ESIC is true, accurate and complete. This proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the ESIC as to any material fact.

We have agreed that (insert individual authorised representative's name) will act as our representative on our behalf and has been duly authorised to submit the proposal.

Further, the authorised signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

For and on behalf of _____(Insert company name)

Authorised Signatory

(Name of Authorised Signatory along with signature along with company seal)

9.2 Technical proposal covering letter

(To be submitted on the official letterhead of the applicant submitting the proposal).

Ref : _____

Date : _____

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
Comrade Inderjeet Gupta (CIG) Marg,
New Delhi – 110002

Dear Sir/ Madam,

Ref: Request for Proposal (RFP): Appointment of portfolio managers for the ESIC's fund

We refer to the RFP for appointment of portfolio managers for the ESIC's fund.

We have read and understood the contents of the RFP document and pursuant to this, we hereby confirm that we are legally empowered to carry on the fund management activity and satisfy the requirements laid out in both documents.

Having examined the RFP document, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide the services as required and outlined in the RFP for appointment of portfolio managers for the ESIC's fund.

To meet such requirements and provide such services as set out in the RFP documents, we attach hereto our response to the RFP document, which constitutes our proposal for being considered for selection as portfolio manager.

We undertake, if our proposal is accepted, to adhere to the stipulations put forward in the RFP or such adjusted plan as may subsequently be mutually agreed between us and the ESIC or its appointed representatives.

We agree to unconditional acceptance of all the terms and conditions set out in the RFP documents.

We confirm that the information contained in this proposal or any part thereof, including its exhibits, schedules, and other documents delivered to the ESIC is true, accurate, and complete. This proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the ESIC as to any material fact.

We have agreed that (insert individual authorised representative's name) will act as our representative on our behalf and has been duly authorised to submit the proposal.

Further, the authorised signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

For and on behalf of _____(Insert company name)

Authorised Signatory (Name of Authorised Signatory along with signature along with company seal)

9.3 Financial proposal covering letter

(To be submitted on the official letterhead of the applicant submitting the proposal)

Ref : _____

Date : _____

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
Comrade Inderjeet Gupta (CIG) Marg,
New Delhi – 110002

Dear Sir/ Madam,

Ref: Request for Proposal (RFP): Appointment of portfolio managers for the ESIC's fund

Having examined the RFP document, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide the services as required and outlined in the RFP for appointment of portfolio managers for the ESIC's fund.

To meet such requirements and to provide services as set out in the RFP document we attach hereto our response as required by the RFP document, which constitutes our proposal.

We undertake, if our proposal is accepted, to adhere to the stipulations put forward in the RFP or such adjusted plan as may subsequently be mutually agreed between us and the ESIC or its appointed representatives.

If our proposal is accepted, we will obtain a Performance Bank Guarantee as mentioned in the RFP document issued by a scheduled commercial bank in India, acceptable to the ESIC, for the requisite sum.

We unconditionally accept all the terms and conditions set out in the RFP document.

We confirm that the information contained in this proposal or any part thereof, including its schedules, and other documents delivered to the ESIC is true, accurate, and complete. This proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the ESIC as to any material fact.

We have agreed that (*insert individual authorised representative's name*) will act as our representative on our behalf and has been duly authorised to submit the proposal.

Further, the authorised signatory is vested with the requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

For and on behalf of _____(Insert company name)

Authorised Signatory (Name of Authorised Signatory along with signature along with company seal)

9.4 Request for clarifications

Applicant's Request For Clarification			
Name of Organization submitting request		Name & position of person submitting request	Address of organization including phone, fax, email, points of contact
			Tel: Fax: E-mail:
Sr.No.	Reference (Clause No. /Page No.)	Content of RFP requiring clarification	Points of Clarification required
1			
2			
3			

9.5 Format for providing explanations for deviations if any

Applicant's explanation for deviations			
Name of Organization submitting explanation		Name & position of person submitting explanation	Address of organization including phone, fax, email, points of contact
			Tel: Fax: E-mail:
Sr.No.	Reference (Clause No. & Page No.)	Deviation in proposal	Reason
1			
2			
3			

9.6 **Format for affidavit**

AFFIDAVIT

I, _____ <<officer name>>, am the Chief Executive Officer/Managing Director/ equivalent official of _____ <<company name>> ("**Portfolio Manager**") having its registered office at _____ <<registered address>>. By the board of director's resolution dated _____, (enclosed) I am authorized to sign and execute this affidavit on behalf of the portfolio manager for submitting a proposal pursuant to the Request for Proposal dated 02 March, 2018 ("**RFP**") issued by the Employees' State Insurance Corporation ("**ESIC**") for appointment of portfolio managers for managing ESIC's fund. I, on behalf of the portfolio manager, solemnly affirm and declare that:

- a. the portfolio manager/ its subsidiaries/ its holding company/ its associate companies have not been barred or suspended by any regulator or government authority or court of law in India from carrying out capital market and or money market related activities on or after 01 January, 2013
- b. the portfolio manager/ its subsidiaries/ its holding company/ its associate companies are not in violation of any applicable law or judgment by any court of law or violation of any direction/ order/ regulation by government/ regulatory authority in India which, individually or in the aggregate, would affect their performance of any obligations under the assignment relating to the RFP.
- c. there are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or (to the best knowledge of the portfolio manager) threatened against the portfolio manager/ its subsidiaries/ its holding company/ its associate companies which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under the RFP and any related documents that may be executed by the portfolio manager as may be required by ESIC.

OR

there are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or (to the best knowledge of the portfolio manager) threatened against the portfolio manager/ its subsidiaries/ its holding company/ its associate companies which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under the RFP and any related documents that may be executed by the portfolio manager as may be required by ESIC, except as mentioned in Annexure I hereto with full detail of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched along with all other relevant information.

<<Company Stamp and Signature of Deponent>>

VERIFICATION

I verify that, the contents of this Affidavit are true and correct to the best of my knowledge and belief, and that nothing material has been concealed. In case of any concealment/ misstatement/ understatement of facts mentioned anywhere in the proposal, shall render the firm liable to legal action as appropriate.

Date:
Place:

**<<Company Stamp and Signature of the Deponent>>
<<Name of the Deponent>>
<<Designation of the Deponent>>**

<<To be notarised by a public notary>>

Identified by me:

Before me:

10. Investment pattern of ESIC

Investment pattern of ESIC:

Sr. No.	Securities	Percentage amount to be Invested
(i)	Government Securities & Related Instruments (Government Bonds)	Up to 50%
(ii)	Debt instruments & related instruments (AAA rated PSU bonds and fixed deposits of scheduled commercial banks for more than 1 year, as prescribed in Ministry of Finance notification)	Up to 45%
(iii)	Short term debt instruments & related instruments (including bank fixed deposit up to 1 year and money market instruments)	Up to 5%

Note: The existing investment pattern as above is subject to change based on the notifications issued by the ESIC from time to time.

11. Glossary/Definitions

- AUM: Assets Under Management
- ESIC/ Corporation: Employees' State Insurance Corporation as defined in The Employees' State Insurance Act, 1948
- ESIS: Employees' State Insurance Scheme
- GOI: Government of India
- MoLE: Ministry of Labour and Employment
- N.A.: Not Applicable
- PBG: Performance Bank Guarantee
- RBI: Reserve Bank of India
- RFP: Request for Proposal
- SEBI: Securities and Exchange Board of India
- Fund: Employees' State Insurance Fund as defined in The Employees' State Insurance Act, 1948
- Holding Company – as defined under section 2, clause (46) of Companies Act 2013 : “holding company”, in relation to one or more other companies, means a company of which such companies are subsidiary companies.
- Subsidiary Company – as defined under section 2, clause (87) of Companies Act 2013 : “subsidiary company” or “subsidiary”, in relation to any other company (that is to say the holding company), means a company in which the holding company -
 - (i) controls the composition of the Board of Directors; or
 - (ii) exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies:Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.
- Associate Company – as defined under section 2, clause (6) of Companies Act 2013 : “associate company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
- Associates – means any person controlled, directly or indirectly, by the intermediary, or any person who controls, directly or indirectly, the intermediary, or any entity or person under common control with such intermediary, and where such intermediary is a natural person will include any relative of such intermediary and where such intermediary is a body corporate will include its group companies (as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (Act No. 54 of 1969) or any reenactment thereof) or companies under the same management
- Own funds – Owned funds are the proprietary funds of the portfolio manager or the funds belonging to any of its Holding company or Subsidiary company or Associate company
- Non-Discretionary portfolio management – a portfolio manager who manages the funds in accordance with the directions of the client

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Contact Details:

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
C.I.G. Marg,
New Delhi – 110002
Email id : fin-comm@esic.nic.in