

# **REQUEST FOR PROPOSAL (RFP)**

**for**

**Appointment of Investment Advisor  
for**

**Indian Council of Agricultural Research (ICAR)  
General Provident Funds Corpus**

**Date of issue: 26.09.2017**

**Deadline for submission of Proposal: 16.10.2017**

**Director (Finance)  
Indian Council of Agricultural Research (ICAR)  
Krishi Bhavan, New Delhi: 110 001**

## TABLE OF CONTENTS

1. DISCLAIMER.....	3
2. INTRODUCTION .....	6
3. DUTIES & RESPONSIBILITIES OF THE INVESTMENT ADVISOR.....	7
4. PROPOSED CONTRACT TERMS .....	8
5. RFP PROCESS.....	9
6. BIDEVALUATION CRITERIA.....	11
7. FORMAT OF PRE-QUALIFICATION, TECHNICAL AND FINANCIAL BID...	14

# 1. DISCLAIMER

- 1.1 This document is being published in connection with the proposed appointment of Investment Advisors by the ICAR.
- 1.2 This document does not constitute nor should it be interpreted as an offer or invitation for the appointment of Investment Advisors described herein.
- 1.3 This document is meant to provide information only and upon the express understanding that recipients will use it only for the purpose of furnishing a proposal for being appointed as Investment Advisor of the ICAR's corpus. It does not purport to be all inclusive or contain all the information regarding the appointment of Investment Advisors 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 ICAR, nor any of its officers make any representation or warranty or shall have any responsibility or liability whatsoever in respect of any statements or omissions here from. Any liability, is accordingly and expressly disclaimed by the ICAR and any of its officers, even if any loss or damage is caused by any act or omission on the part of the ICAR 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- 1.5 By acceptance of this document the recipient agrees that any information herewith will be superseded by any subsequent written information on the same subject made available to the recipient by or on behalf of the ICAR. The ICAR 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.

- 1.6 ICAR reserves the right, at any time and without advance notice, to change the procedure for the selection of Investment Advisor or any part of the interest or terminate negotiations or the due diligence process prior to the signing of any binding agreement.
- 1.7 The. ICAR 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 ICAR may modify, for any reason deemed necessary, the RFP by amendment notified on the ICAR website([www.icar.org.in](http://www.icar.org.in))and such amendments shall be binding on intending Applicants.
- 1.8 The interested Applicant should carry out an independent assessment and analysis of the requirements for appointment as Investment Advisor and of the information, facts and observations contained herein.
- 1.9 This document has not been filed, registered or approved in any jurisdiction. The Applicant should inform themselves of any applicable legal requirements and conform to the same.
- 1.10 This document constitutes no form of commitment on the part of the ICAR. Furthermore, this document confers neither the right nor an expectation on any party to participate in the proposed Investment Advisor's appointment process.
- 1.11 The ICAR 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 ICAR, Investment Advisors 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 document.
- 1.12.3 If information becomes known, after the Applicant has been appointed, which would have entitled the ICAR to reject or disqualify the relevant Investment Advisor, the ICAR reserves the right to reject the Applicant at the time, or at any time after, such information becomes known to the ICAR.
- 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 ICAR that the Applicant has fully ascertained and ensured about its eligibility to act as Investment Advisor, in the event of it being selected ultimately to act as Investment Advisor, under the respective governing laws and regulatory regimen, and that there is no statutory or regulatory prohibition or impediment to acting as Investment Advisor for the ICAR and it has the necessary approvals and permission to act as Investment Advisor and further suffers no disability in law or otherwise to act as such.
- 1.14 Investment Advisors failing to satisfy the eligibility and requisite qualification criteria specified herein are not eligible to have their applications considered. All proposals and accompanying documents received within the stipulated time will become the property of the ICAR and will not be returned. The documents will be considered as the official proposal.
- 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 Indian Council of Agricultural Research (ICAR), India is an autonomous body under the aegis of the Department of Agricultural Research & Education (DARE) under Ministry of Agriculture & Farmer's Welfare, Government of India.
- 2.2 The Constitution of India under "Directive Principles of State Policy" provides that the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want. The General Provident Funds of the ICAR is based *mutatis mutandis* on the rules of the Government of India.
- 2.3 Indian Council of Agricultural Research (ICAR) is a Central Autonomous body under the Ministry of Agriculture and Farmer's Welfare in the Department of Agricultural Research & Education (DARE) and it is a society under the Society's Registration Act 1861.
- 2.4 Bye-Law 14(a) of the book on ICAR Rules and Bye Laws mandates that the funds of the society (ICAR) may be invested in such manner as may be prescribed by the Government of India. All investment of the funds of the Society (ICAR) shall be made in the name of the Society (ICAR).
- 2.5 The appointed of Investment Advisors will be required so that corpus is invested as per the investment pattern prescribed by the Ministry of Finance, investment guidelines issued by the ICAR from time to time and the Agreement between the Investment Advisor and the ICAR. It has to be ensured by the Investment Advisors that the corpus is invested to get optimum returns. The investment pattern has gradually evolved to provide greater flexibility in investment options like investments in Term Deposit Receipts, Public/Private Sector Bonds apart from Central and State Government Securities.
- 2.6 As on 31 March, 2017, the ICAR had a corpus of Rs. 1500.00 Crores (aprox) at face value.
- 2.7 For further information about the ICAR, one may visit the website [www.icar.org.in](http://www.icar.org.in)

### **3. DUTIES AND RESPONSIBILITIES OF THE INVESTMENT ADVISOR**

The Investment Advisor, while executing its role for advising the ICAR corpus must:

- 3.1 Ensure, to the best possible extent, that advisor(s) appointed to manage the ICAR corpus should continue in their role till the completion of the assignment. For any reason, if there is a proposed change in the Advisors(s) appointed to manage the ICAR corpus, the same should be intimated to the ICAR immediately.
- 3.2 Advise to invest the corpus in accordance with the pattern of investment as prescribed by the Ministry of Finance, the guidelines issued by the ICAR from time to time and the Agreement between the Investment Advisor and the ICAR;
- 3.3 Maximize the return on the ICAR corpus and to ensure that minimum return to be paid to subscribers without breaching any of the restrictions mentioned in Section 3.2 and to ensure maximum return preferably equal to or above than payable to subscribers of GPF as announced by the Government of India from time to time;
- 3.4 Exercise due diligence and care in all its decisions on investment management and operations which is in the best interest of the ICAR's subscribers;
- 3.5 Be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the Investment Advisor;
- 3.6 Ensure and be responsible for back office support for investment management including accounting and audit related services.
- 3.7 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 Investment Advisor should rectify the same within 30 days of the ICAR communicating it to the Investment Advisor in writing. Failure to do the same, would result in a penalty of 0.0001% of the corpus being managed by the Investment Advisor. For this purpose, the corpus as on the last day of the previous month to the month in which breach has taken place would be, considered. Further, ICAR also reserves the right to terminate the Agreement in case of breach of any of the above duties and responsibilities, after giving notice of thirty calendar days to the Investment Advisor.

## 4. PROPOSED CONTRACT TERMS

### 4.1 Tenure of appointment

The appointment of the Investment Advisors shall be for a minimum period of 2 (Two) years. This may be extended by mutual consent of the ICAR and the Investment Advisor concerned, depending on the performance of the latter. The performance of the Investment Advisors shall be reviewed on a regular basis.

### 4.2 Review of Performance

The ICAR will follow a process of periodic review of the performance of the Investment Advisors. Such review will be carried out on a monthly, quarterly and annual basis. The criteria for performance review would primarily be based on the returns on investment made as advised by the selected Investment Advisors.

### 4.3 Conditions of termination

The appointment of the Investment Advisor will be terminated if:-

4.3.1 The Investment Advisor contravenes the conditions/clauses including inability to perform the duties and responsibilities as specified in the contract Agreement;

4.3.2 At the end of the tenure as specified in the Letter of Appointment;

### 4.4 Payment Schedule

The Fee/charges payable to the Investment Advisor would be paid on the fresh investments made during the quarter and settled on quarter end basis. However, this time frame is indicative and would be finalized mutually between the ICAR and the successful Applicant(s). No fees would be payable on reinvestments of existing portfolio.



## 5. RFP PROCESS

The Investment Advisors selection process will include the following steps:

- 5.1 Applicants are required to submit a Demand Draft for Rs.10, 000/- (Rupees Ten Thousand only) in favour of "Secretary, ICAR" payable at "New Delhi" as non-refundable application processing fee, along with the RFP proposal.
- 5.2 Pre-bid enquiries  
The Applicants can seek clarification from the ICAR on the RFP, in writing, by email or courier to Section Officer (email id [auditthree@gmail.com](mailto:auditthree@gmail.com)).
- 5.3 Submission of Pre-qualification, Technical and Financial bids by the Applicants  
The Applicants has to submit required documents in separate sealed covers specifically mentioned as documents for pre-qualification, technical qualification and financial qualification. All three sealed folder must be inside one folder superscripted as "RFP for Investment Advisor of ICAR GPF Fund".
- 5.4 The ICAR ascertains completeness of bid documents  
The ICAR will evaluate the contents of the documents to ascertain that all documents/information requirements are provided in the format and the manner specified. If any document is not in the specified format, ICAR will reject the application.
- 5.5 The ICAR evaluates Pre-qualification, Technical and Financial bid on predefined evaluation criteria:
  - 5.5.1 Pre-qualification bid  
The Pre-qualification bids of all the Applicants will be evaluated as per the criteria specified in Para 6.1 of the RFP.
  - 5.5.2 Technical bid

The Applicants who meet the Pre-qualification criteria will be eligible for evaluation of their Technical bid. The Technical bids of all the Applicants will be evaluated as per the criteria specified in Para 6.2 of the RFP.

### 5.5.3 Financial bid

All Applicants, who obtain a minimum score of 75 per cent on the Technical bid, would be short-listed for the evaluation of their financial bid.

5.5.4 All proposals will be reviewed by a Designated Committee constituted by the ICAR. The ICARs' designated committee may seek oral or written clarifications from the Applicants. The Applicants must respond/provide the information/clarifications within the stipulated time failing which will lead to disqualification of the Applicant.

5.6 Key Activities and Dates The tentative schedule of key activities for the purpose of this RFP is outlined below:

S. No.	Key Activities	Due Date
1.	Issuance of Request For Proposal (RFP)	26 <sup>th</sup> September 2017 (Tuesday)
2.	Last date for uploading of bid documents	16 <sup>th</sup> October 2017 (Monday)
3.	Technical bid evaluation	27 <sup>th</sup> October 2017 (Monday)
4.	Financial bid opening for the eligible Applicants	06 <sup>th</sup> November 2017 (Monday)
5.	Issuance of letters to selected Investment Advisors	13 <sup>th</sup> November 2017 (Monday)
6.	Selected Investment Advisors to be ready in all respects to manage allocated funds	Within 15 days of issue funds of letter intimating appointment

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

## 6. BID EVALUATION CRITERIA

6.1 The pre-qualification criteria for selection of Investment Advisor is as follows:

S. No.	Criteria	Supporting Documents
1.	The Investment Advisor must be incorporated as a Company or Financial Institution	Copy of the relevant Registration Certificate
2.	The Investment Advisor must have at least one (1) years of experience in fixed income fund management as on date of RFP	Copy of the Registration Certificate (the first such certificate as well as the most recent renewal certificate) of the Investment Advisor with SEBI.
3.	The Investment Advisor/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 investment related activities.	An affidavit by the Chief Executive Officer or Managing Director or Compliance Officer or equivalent Advisor confirming that the Investment Advisor/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 investment market related activities.
4.	The Investment Advisor/its subsidiaries/its holding company/its associate companies are not in violation of any applicable law or judgment by any court of law or government authority in India which violations, individually or in the aggregate, would affect their performance of any obligations under this assignment.	An affidavit by the Chief Executive Officer or Managing Director or Compliance Officer or equivalent of the Investment Advisor confirming that the Investment Advisor/its subsidiaries/its holding company/its associate companies are not in violation of any applicable law or judgment by any court of law or government authority in India which violations, individually or in the aggregate, would affect their performance of any obligations under this assignment.
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 Investment Advisor) threatened against the Investment	An affidavit by the Chief Executive Officer or Managing Director or Compliance Officer or equivalent of the Investment Advisor confirming that there are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or

	Advisor/its subsidiaries/its holding company/its associate companies which, if adversely determined, could reasonably be expected to have a material adverse effect on the Investment Advisors ability to perform the obligations under this assignment.	agency, now pending or (to the best knowledge of the Investment Advisor) threatened against the Investment Advisor/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.
6.	The Directors and key personnel of the Investment Advisor shall be persons with adequate professional experience in the financial services industry and not found guilty of moral turpitude or convicted of any economic offence or violation of any financial sector laws.	An Undertaking from the Chief Executive Officer or Managing Director or Compliance Officer or equivalent official of the Investment Advisor certifying that the Directors and key personnel of the Investment Advisor are persons with adequate professional experience in the financial services industry and not guilty of moral turpitude or convicted of any economic offence or violation of any financial sector laws.
7.	The Investment Advisor shall forthwith inform the ICAR of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.	An Undertaking from the Chief Executive Officer or Managing Director or Compliance Officer or equivalent official of the Investment Advisor certifying that the Investment Advisor shall forthwith inform the ICAR of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.
8	The Investment Advisor shall undertake to comply with all the extant ICAR guidelines/directions	An Undertaking from the Chief Executive Officer or Managing Director or Compliance Officer or equivalent official of the Investment Advisor certifying that the Investment Advisor shall comply with all the extant ICAR guidelines/directions.

## 6.2 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 ICAR:

S No.	Parameter	Supporting Documents	Max Marks	Criteria	
				Years	Marks
1	Experience in managing retirement fund (in years)	Copy of the Registration Certificate (the first such certificate as well as the most recent renewal certificate) of the Investment Advisor with SEBI.	25	0-1	5
				1-2	10
				2-3	15
				3-4	20
				> 4	25
2	Net worth of the organization (Rs crore)	Certificate by Bank Manager/ Practicing Chartered Accountant of Net worth along with financial statement of last three years.	25	Amount	Marks
				50	5
				50-100	10
				100-200	15
				200-500	20
				>500	25
3	No. of retirement trust of Central PSU/Autonomous Bodies/State PSU for which investment advisory services are provided	Copy of mandate letters from different PSU/AB/trust	25	For each such trust 5 marks will be provided.	
4	Assets under investment of Advisory services from Retirement Benefit PSU/Autonomous Bodies/State PSU as mentioned in point 3	Certificate by Bank Manager/ Practicing Chartered Accountant of assets under management of retirement benefit trust	25	(Rs crore)	
				<250	5
				250-500	10
				500-1000	15
				1000-1500	20
				>1500	25

## 6.3 Financial bid:Format for submitting financial bids

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

## 7. Additional Information:

1. Names of Directors of the Applicant:
2. Shareholding pattern of the promoters:
- 3 Name and Designation of Authorized Representative:
4. Profitability - PAT Growth (latest 3 years)
5. Applicant details:
  - i. Full address including telephone Nos./Fax Nos/email ID.
  - iiRegistered Office Address
  - iiiAddress for communication: