

Seamen's Provident Fund Organization

An autonomous body under Ministry of Shipping

Invitation for REQUEST FOR PROPOSAL (RFP) for Appointment as Custodian of Securities for SPFO's funds

**Date of issue:
22nd October, 2020**

**Deadline for submission of Proposal:
12th November, 2020 by 12:00 Hours**

Table of Contents

1. Disclaimer	5
2. Introduction	7
3. Terms of Reference	9
4. Duties & Responsibilities of the Custodian of Securities	11
5. Proposed contract terms	16
6. Electronic RFP Process	19
7. Bid Evaluation Criteria	23
8. Format of Pre-qualification, Technical and Financial bid	27
9. Formats for Covering Letter, Clarification, Deviation, Undertaking and Affidavit	35
10. Investment Pattern of SPFO.....	42

Glossary

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. (Explanation. - For the purposes of this clause, significant influence means control of at least twenty per cent. of total share capital, or of business decisions under an agreement.)

AUM: Assets Under Management

Bidder(s): Applicant(s) interested to participate in the RFP process for appointment of Custodian of Securities for SPFO's fund

Debt Asset Under Custody: Total value of fixed income securities (such as bonds, government securities, money market instruments etc.) in the Indian market under custody of the Bidder as required in SEBI (Custodian of Securities) Regulation, 1996

Equity Asset Under Custody: Total value of equity assets in the Indian market under custody of the Bidder as required in SEBI (Custodian of Securities) Regulation, 1996

Financial Assets: Financial Assets includes cash and/or any securities allowed as per investment guidelines prescribed by Ministry of Finance, Govt. of India, for investment of non-government provident fund and investment policy of SPFO as amended by SPFO from time to time.

ICAI: Institute of Chartered Accountant of India

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.

N.A.: Not Applicable

Portfolio Manager: Refers to the entity appointed for managing SPFO's fund

Related Party: as defined under section 2, clause (76) of Companies Act 2013: “related party” with reference to a company, means -

- (i) a director or his relative;
 - (ii) a key managerial personnel or his relative;
 - (iii) a firm, in which a director, manager or his relative is a partner;
 - (iv) a private company in which a director or manager is a member or director;
 - (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital;
 - (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
 - (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:
- Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any company which is—
 - (A) a holding, subsidiary or an associate company of such company; or
 - (B) a subsidiary of a holding company to which it is also a subsidiary;
- (ix) such other person as may be prescribed;

RFP: Request for Proposal

SEBI: Securities and Exchange Board of India

SPFO: Seamen's Provident Fund Organization

Securities: Securities allowed as per investment guidelines prescribed by Ministry of Finance, Govt. of India, for investment of non-government provident fund and investment policy of SPFO as amended by SPFO from time to time.

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.

Total Assets Under Custody: Total value of equity and debt assets in the Indian market under custody of the Bidder as required in SEBI (Custodian of Securities) Regulation, 1996

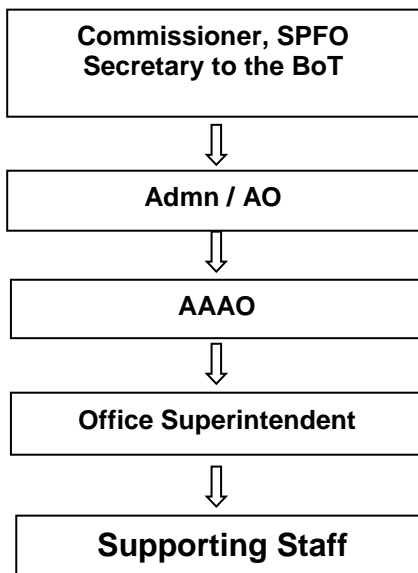
1. Disclaimer

- 1.1 This document is being published in connection with the proposed appointment of Custodian of Securities of SPFO's fund.
- 1.2 This document does not constitute nor should it be interpreted as an offer or invitation for the appointment of Custodian of Securities 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 a Custodian of Securities of SPFO's fund. It does not purport to be all inclusive or contain all the information regarding the appointment of Custodian of Securities 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 SPFO, 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 SPFO and any of its officers, even if any loss or damage is caused by any act or omission on the part of SPFO 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 on SPFO's website. The SPFO 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 SPFO reserves the right, at any time and without advance notice, to change the procedure for the selection of Custodian of Securities 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 SPFO reserves the right to reject any or all proposals or cancel/withdraw the Request for Proposal (RFP) without assigning any reason whatsoever and in such case no intending Bidder shall have any claim arising out of such action. At any time prior to the deadline for submission of proposals, SPFO may modify, for any reason deemed necessary, the RFP, by amendment notified on SPFO 's website and such amendment shall be binding on them.
- 1.8 If the selected Portfolio Manager for managing SPFO's fund is a holding/ subsidiary/ associate company of the Bidder intending to participate in this RFP process, or if the Bidder intending to participate in this RFP process is a holding/ subsidiary/ associate company of the selected Portfolio Manager for managing SPFO's fund, then SPFO will not consider the bid submitted by such Bidder.
- 1.9 The recipients of the RFP should carry out an independent assessment and analysis of the requirements for appointment as Custodian of Securities and of the information, facts and observations contained herein.
- 1.10 This document has not been filed, registered or approved in any jurisdiction. Recipients of this document should keep themselves abreast of any applicable legal requirements and conform to the same.

- 1.11 This document constitutes no form of commitment on the part of SPFO. Furthermore, this document confers neither the right nor an expectation on any party to participate in the proposed Custodian of Securities appointment process.
- 1.12 This document confers neither a right nor an expectation on any party to offer for appointment as Custodian of Securities.
- 1.13 The SPFO reserves the right to, not consider for the purpose of qualification, a proposal which is found to be incomplete or inconsistent 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.
- 1.14 In case of misrepresentation by the bidder at any stage during the RFP process or during the tenure of appointment as Custodian of Securities for SPFO's fund, the contract will be terminated, a complaint may be filed with regulator (such as SEBI) along with any other legal action which SPFO may deem fit.
- 1.15 Without prejudice to any other rights or remedies available to SPFO, Custodian of Securities may be disqualified and their proposals rejected for any reason whatsoever including those listed below:
- 1.15.1 Material misrepresentation by the Bidder in the Proposal.
- 1.15.2 Failure by the Bidder to provide the information required to be provided in the proposal pursuant to relevant sections of this document.
- 1.15.3 If information becomes known, after the Bidder has been appointed, which would have entitled SPFO to reject or disqualify the relevant Custodian of Securities, the SPFO reserves the right to reject the Bidder at the time, or at any time after, such information becomes known to SPFO and no compensation, whatsoever, shall be payable to the Custodian of Securities so rejected.
- 1.16 When any proposal is submitted pursuant to this RFP, it shall be presumed by SPFO that the Bidder has fully ascertained and ensured about its eligibility to act as Custodian of Securities, in the event of it being selected ultimately to act as Custodian of Securities of SPFO's fund, under the respective governing laws and regulatory regimen, and that there is no statutory or regulatory prohibition or impediment on acting as Custodian of Securities for the SPFO's fund and it has the necessary approvals and permission to act as Custodian of Securities and further suffers no disability in law or otherwise to act as such.
- 1.17 All proposals and accompanying documents submitted online in response to this RFP will be considered as the final submission by the Bidder.
- 1.18 Reference to any laws/regulations/guidelines in this RFP document is applicable to laws/regulations/guidelines in India.
- 1.19 Decision of the SPFO's consultancy evaluation committee on evaluation of bids submitted by Bidders would be final and binding on all Bidders.

2. Introduction

- 2.1 The Seamen's Provident Fund Organisation is a statutory Body established under the SPF Act, 1966 (4 of 1966) and is functioning directly under control of Ministry of Shipping. Provident Fund contributions are deposited by various shipping companies / agents in terms of provisions of SPF Scheme, 1966. After making the obligatory payments to the members and their families, the accretions in the Fund including interest earned on various securities / bonds are invested as per pattern of investments notified by Ministry of Finance, Government of India from time to time for Non-Government Provident Funds.
- 2.2 The SPFO is an autonomous body under the Ministry of Shipping, Government of India. The main objective of the organization is to provide for the institution of a Provident Fund for seamen as old age retirement benefit and to their family members in the event of death of seamen members.
- 2.3 Seamen's Provident Fund Scheme, 1966, the first social security scheme for Indian Merchant Navy Seafarers, brought under statute by enactment of the Seaman's Provident Fund Act, 1966 (4 of 1966) was introduced retrospectively with effect from 1st July, 1964.
- 2.4 The Seamen's Provident Fund is vested in and administered by the Board of Trustees consisting of the Chairman and three representatives each of the Government, Employers and Employees. The Director General of Shipping is the ex-officio Chairman of the Board of Trustees and the Commissioner is the Chief Executive Officer and the Secretary to the Board.
- 2.5 This is a contributory provident fund and the employers are required to deposit the provident fund contributions recovered from the seamen employed by them along with their matching contributions to the SPFO within a month after the termination of each voyage. The prevailing rate of contribution is 12% of the basic wages; leave wages, fixed ship board allowance payable to the seamen. For delayed remittances of provident fund contributions, penal charges are levied. All monies belonging to the fund are invested in securities as per the pattern of Investment notified by the Ministry of Finance, Government of India, from time to time.
- 2.6 The organizational structure of the SPFO is as follows and is only a sketch:



- 2.7 The organization functions under the overall superintendence of the Board of Trustees (BoT), a tripartite body of three persons each representing employer, employees and Government, headed by the Hon'ble Chairman. The DGS, Ex-Officio is the Chairman of Board of Trustees. The Commissioner, SPFO is the secretary to the Board besides a Finance Sub-Committee and Audit Committee setup.

3. Terms of Reference

- 3.1 Paragraph 44 of the Seamen's Provident Fund Scheme, 1966 provides that all monies pertaining to the fund are to be deposited in the State Bank of India or shall be invested subject to such directions as the government may from time to time give in the securities mentioned to in clauses (a) to (d) of Section 200 of the Indian Trusts Act, 1882 (2 of 1882) provided that such securities are repayable both in respect of capital and in respect of interest in India.
- 3.2 In order to ensure that the Seamen's Provident Fund Organization (SPFO) is in a position to achieve the maximum possible rate of interest for its subscribers, it has to be ensured that the funds are invested properly and promptly to get the optimum return. The fund manager invests the SPFO funds in the financial instruments as per the prescribed investment pattern (section 10 of this RFP) supported by investment guidelines issued by SPFO from time to time. The pattern of Investment is prescribed by the Ministry of Finance, Government of India and are amendable investments will have to conform to the applicable pattern / guidelines at that time.
- 3.3 This document is a Request for Proposal (RFP) for appointment of Custodian of Securities for the SPFO's fund. The Bidders who may wish to participate in the selection process must submit their proposals as per the process defined in the RFP.
- 3.4 SPFO is in the process of selecting one Portfolio Manager for managing SPFO's fund and has floated an RFP for the same. The selection of Portfolio Manager would happen first followed by selection of Custodian of Securities. Portfolio Manager is required to invest SPFO's fund in accordance with the investment policy of SPFO (as amended from time to time) and the agreement between Portfolio Manager and SPFO. The Portfolio Manager will manage SPFO's fund on a discretionary basis and the appointment will be for a tenure of two years, extendable by mutual agreement for further period of one year. The Bid submitted by the selected Portfolio Manager/ its Holding Company/ any of its Subsidiary Company/ any of its Associate Company for selection of Custodian of Securities will not be considered. In addition, the bid submitted by the intending bidder for selection of Custodian of Securities will not be considered if the selected Portfolio Manager is the Holding Company/ Subsidiary Company/ Associate Company of the intending bidder for the selection of Custodian of Securities.
- 3.5 The Custodian of Securities will be required to maintain accounts of Financial Assets of the SPFO, collect the benefits or rights accruing to the SPFO, and maintain and reconcile records of the services rendered. The selected Custodian of Securities will provide custodial services for SPFO's fund.
- 3.6 SPFO will discuss and finalize the fund flow and distribution of the same with the Custodian of Securities at an appropriate stage.
- 3.7 The total funds of SPFO as on 31 March, 2019 stands to Rs 1,822.66 Crores (total book value). The breakup of assets is as follows.

Investment Category	Percentage Allocation
Central Govt. Securities	11.66%
State Govt./State Guaranteed Securities	37.29%
PSU Bonds	27.74%

Special Deposits	18.76%
Long Term TDR	0.79%
Money Market Instruments	0.50%
Mutual Fund (Equity)	3.27%
Total	100.00%

The following table gives projections of expected flows for the next three years.

Projection of Investible Surplus (Rupees crores)			
During the Year	2020-2021	2021-2022	2022-2023
P.F. Contribution Received	156	169	183
Less: Non-refundable withdrawal	-05.50	-07	-8.50
Less: Final Withdrawal	-90	-98	-106
Total	60.50	64	68.50
Maturities of Investments	25	114	147
Interest receivable	138	142	148
Total Investible Surplus	223.50	320	363.50

The existing holdings under SPFO's fund will be transferred to the selected Custodian of Securities for SPFO's fund.

3.8 For further information about the SPFO, one may visit the website www.spfo.gov.in.

4. Duties & Responsibilities of the Custodian of Securities

- 4.1 The appointed Custodian of Securities shall review the existing structure of fund flow, flow of instructions and accounts for cash and securities required to carry-out investments and propose changes/ modifications in the existing structure.
- 4.2 General Obligations:
 - 4.2.1 Custodian of Securities shall be responsible for providing custodial services, settlement for all types of Securities (securities as defined under Securities Contracts (Regulation) Act 1956 and securities where custodians can provide custody services as per SEBI (Custodian of Securities) Regulations 1996) and instruments allowed under the investment pattern followed by SPFO, which includes the following:
 - 4.2.1.1 Custody of Securities
 - 4.2.1.2 Clearing and Settlement of Trades
 - 4.2.1.3 Collection of coupons, maturity proceeds or any other cash flow arising out of electronic and physical holdings
 - 4.2.1.4 Corporate Action tracking, collections of entitlements on holdings and reporting thereof
 - 4.2.1.5 Standard reporting (MIS) as mutually agreed
 - 4.2.1.6 Customized Reporting as required by SPFO from time to time
 - 4.2.1.7 Legacy Investments
 - 4.2.1.8 Any other service required by SPFO as and when required
 - 4.2.2 SPFO invest in Equity through SBI Nifty 50 ETF. The custodian of security shall provide all services (including services under 4.2.1) with respect to Equity Investments of SPFO as required by SPFO.
 - 4.2.3 Securities shall be held on behalf of, and in the name of the SPFO. SPFO shall be the registered owner of these Securities
 - 4.2.4 To distribute the funds received from SPFO to SPFO's Portfolio Manager.
 - 4.2.5 The Custodian of Securities shall ensure at all times that transactions in SPFO's account are carried out according to the instructions of the SPFO or its Portfolio Manager and the Financial Assets held in such accounts are used only for transactions explicitly authorised by SPFO or its Portfolio Manager.
 - 4.2.6 The Custodian of Securities shall exercise at all times care, prudence, professional skill and diligence while discharging its duties in the best interest of SPFO.
 - 4.2.7 The Custodian of Securities shall ensure that all entitlements on the Securities held in its custody for SPFO's fund are received on time.
 - 4.2.8 The Custodian of Securities shall do all follow up with the issuers for the receipt of benefits due on the holdings and provide detailed information and other reports as required by SPFO.

- 4.2.9 The Custodian of Securities shall arrange an adequate insurance cover for the entire Securities belonging to SPFO, the details of which shall be submitted to SPFO after signing the agreement.
- 4.2.10 The Custodian of Securities should have a system which
 - 4.2.10.1 can generate consolidated MIS reports as required by SPFO, including reports on all eligible Securities.
 - 4.2.10.2 is flexible to provide any new reports as required by SPFO during the tenor of appointment .
- 4.2.11 The Custodian of Securities shall take all necessary precautions to ensure that continuity of the record keeping is not lost or destroyed and that sufficient back up of records are available.
- 4.2.12 The Custodian of Securities 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 SPFO.
- 4.2.13 With SPFOs concurrence, the Custodian of Securities shall create operating procedures governing the day to day operations of the Custody Account and the Cash Account. Such operating procedures, may be amended from time to time by mutual consent between the Custodian and SPFO.
- 4.2.14 If appointed as Custodian of Securities for SPFO's fund, SPFO may, at its discretion, audit the Custodian's compliance with the terms of agreement with SPFO and perform audit on information security management systems of the Custodian through an external agency, for which the Custodian is required to provide the necessary support.
- 4.3 The Custodian of Securities shall be responsible for settlement of Securities, covering, but not limited to, the following areas:
 - 4.3.1 To credit Securities in the SPFO's account for;
 - 4.3.1.1 Any purchase of Securities by SPFO or its Portfolio Manager.
 - 4.3.1.2 Securities received as a result of corporate action on the SPFO's holdings.
 - 4.3.2 To credit all monies in the SPFO's account on the following scenarios;
 - 4.3.2.1 Any income and other payments made by the issuer of Securities.
 - 4.3.3 To deliver Securities from SPFO's account;
 - 4.3.3.1 Which have been sold and receive payment for the same on behalf of SPFO as required by prevailing rules, operating procedures and regulations on any relevant stock exchange, clearance system, depository.
 - 4.3.3.2 To the issuer or its agent in accordance with the instructions of the issuer, when Securities are called, cancelled, retired or otherwise mature or become payable.

4.3.3.3 In case of conversion, exchange or surrender of any such Securities on exercising any such right whatsoever with respect to such Securities by SPFO or its Portfolio Manager.

4.3.3.4 To a succeeding Custodian of Securities upon the Expiry/ termination/ suspension of Certificate of registration on direction of the SPFO.

4.3.4 To debit monies from the SPFO's account;

4.3.4.1 In connection with the purchase or acquisition of Securities by SPFO or its Portfolio Manager.

4.3.4.2 For payment of such permissible charges as may be approved by the SPFO from time to time.

4.4 Reporting / Reconciliation

4.4.1 Custodian of Securities shall furnish periodic reports, for such duration and time, specified by SPFO and any such information and documents as may be required by SPFO, from time to time.

4.4.2 The Custodian of Securities shall ensure that the individual holdings of Securities in accounts of SPFO's Portfolio Manager are reconciled with the depository holdings at the end of the day.

4.4.3 The Custodian of Securities shall reconcile Cash and Securities at the end of the day. Cash reconciliation is the reconciliation of fund balances in various bank accounts in the overall investment architecture of SPFO.

4.4.4 The Custodian of Securities shall maintain records and documents as per SEBI (Custodian of Securities) Regulations, 1996 and furnish information as may be required by SPFO on their investments.

4.4.5 The Custodian of Securities shall provide statement of holdings, coupon receipts, maturity proceeds and investments made during the month in the SPFO's fund, on a monthly basis to SPFO. The statement should be in the official letter head of the Custodian of Securities.

4.4.6 The Custodian of Securities needs to provide the reports including but not limited to

4.4.6.1 CSGI month end holding

4.4.6.2 Holding of debt and equity investments

4.4.6.3 Details of dividends received from equity investments

4.4.6.4 Daily projected cash inflow and outflow

4.4.6.5 Historical cash inflow and outflow

4.5 Audit of accounts

4.5.1 It shall be obligatory for the Custodian of Securities to provide other additional statements or reports to the Auditor of SPFO for the purpose of audit and for physical verification and reconciliation of Financial Assets, as per SPFO's requirements.

- 4.5.2 The Custodian of Securities shall be continuously accountable for the movement of Financial Assets in the accounts of appointed Portfolio Manager of SPFO and shall provide complete audit trail whenever called for by SPFO.
- 4.5.3 The Custodian of Securities shall have its books of accounts in relation to SPFO's fund audited quarterly by an internal auditor and submit the summary thereof to SPFO.
- 4.6 System and infrastructure
 - 4.6.1 The Custodian of Securities shall have policy document/ certificates/ programme in place for the following in order to provide custody services;
 - 4.6.1.1 Relevant to Information Security Management System (such as ISO 27001:2013 framework or equivalent) and system audit certification, if any (Policy document should have the frequency of such audit and turn-around-time to resolve findings of the audit)
 - 4.6.1.2 Records retention policy covering paper and electronic records, including email, in support of applicable regulations, standards and contractual requirements
 - 4.6.1.3 For anti-virus/ malware (workstations, servers, mobile devices) approved by management and contain information on the owner to maintain and review the policy
 - 4.6.1.4 For removable media (CDs, DVDs, tapes, disk drives) approved by management and contain information on the owner to maintain and review the policy
 - 4.6.2 The Custodian of Securities shall have the following in place in order to provide the custody services;
 - 4.6.2.1 Controls for subcontractors having access to Scoped Systems and Data (backup vendors, service providers, equipment support maintenance, software maintenance vendors, data recovery vendors, etc.)
 - 4.6.2.2 System backups of scoped Systems and Data performed with daily back-up
 - 4.6.2.3 Firewalls in use for both internal and external connections
 - 4.6.2.4 Vulnerability assessments, scans or penetration tests on internal or external infrastructure and application performed at least annually
 - 4.6.3 The Custodian of Securities shall carry out the required changes in systems and infrastructure to meet all regulatory and statutory requirements.
- 4.7 Business Continuity Plan and Disaster Recovery Plan
 - 4.7.1 The Custodian of Securities should have documented policy for business continuity and disaster recovery approved by the management and should contain information on the owner to maintain and review the policy
 - 4.7.2 Business continuity and disaster recovery tests should be performed at least annually
 - 4.7.3 Business Impact Analysis should be conducted at least once in a year

- 4.7.4 The Custodian of Securities should have insurance coverage for business interruptions or general services interruption
- 4.7.5 The Custodian of Securities shall ensure that the physical certificates/ securities are protected from any damages on account of natural calamity/ fire
- 4.8 Data security and confidentiality
 - 4.8.1 The Custodian of Securities should have
 - 4.8.1.1 Information security policy approved by management and should contain information on the owner to maintain and review the policy
 - 4.8.1.2 Documented privacy policy or procedures for protection of information transmitted, processed, or maintained on behalf of the client
 - 4.8.1.3 Adequate control in case mobile devices have access to Systems and Data related to SPFO
 - 4.8.1.4 Policy on taking printout of the information or data related to SPFO in order to ensure protection of data related to SPFO
 - 4.8.1.5 Encryption and key management process in place for data-at-rest and data-at-motion
 - 4.8.1.6 Incident management process in place
 - 4.8.1.7 information security awareness programme in place
 - 4.8.1.8 Information risk management programme in place
 - 4.8.2 The Custodian of Securities should review security policies, standards, procedures, and/or guidelines at least annually
 - 4.8.3 The Custodian of Securities should maintain system critical logs

5. Proposed contract terms

- 5.1 The fee to be charged by the Custodian of Securities should be as a fixed percentage of the total face value of the quarterly average assets under custody for debt securities. The payment of the fee would be made on quarterly basis.
- 5.2 The fee quoted by the Custodian of Securities should be inclusive of all charges (excluding GST)
- 5.3 The fee quoted should be unconditional and inclusive of the expenditure to be incurred on the work mentioned in section 4 of the RFP.
- 5.4 Taxes as applicable on the services (GST) rendered by the Custodian of Securities will only be reimbursed by SPFO on producing the supporting documents.
- 5.5 The tenure of Custodian of Securities will be for two (2) years from date of appointment.
 - 5.5.1 At the end of two years the appointment stands terminated unless it is extended for further one year at the sole discretion of the board, depending on the performance of the Custodian of Securities. Extension of tenure will be through an issue of letter from SPFO on existing terms of agreement.
 - 5.5.2 Board may further extend the tenure of appointment of Custodian of Securities beyond 1 year extension. Extension of tenure will be through an issue of letter from SPFO on existing terms of agreement.
- 5.6 Performance bank guarantee

The successful Bidder must, at its own expense, deposit with the SPFO, 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 SPFO, payable on demand, for the due performance and fulfilment of the contract by the Bidder. The quantum of the PBG would be Rs 10 Lacs/- (Rs Ten Lacs only).

 - 5.6.1 All incidental charges whatsoever such as premium, commission, etc. with respect to the PBG shall be borne by the Bidder. The PBG shall be valid till 180 days after the completion of the tenure of the appointment including extensions, if any.
 - 5.6.2 In the event, Bidder is in breach of any terms of the contract or conditions laid under this RFP or is unable to service the contract for whatever reason (including but not limited due to termination on account of clause 5.9), which in the opinion of the SPFO is due to circumstances within the Bidder's control, the SPFO may invoke the PBG. Notwithstanding and without prejudice to any rights whatsoever of the SPFO under the contract in the matter, the proceeds of the PBG shall be payable to the SPFO as compensation for the Bidder's failure to perform/comply with its obligations under the contract
- 5.7 Before invoking the PBG, the SPFO will give a notice of 15 days to the Bidder indicating the contractual obligation(s) for which the Bidder is in default and give an opportunity to represent before the SPFO. The decision of the SPFO on the representation given by the Bidder will be final and binding
- 5.8 Verification of information/data and documents
 - a) SPFO reserves the right to verify all statements, undertakings, information/data and documents submitted by the Bidder in response to RFP and the Bidder shall, when so required by SPFO, make available all such information, evidence and documents as may be felt necessary by SPFO for such verification. Any such verification, or lack of such verification, by SPFO shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of SPFO thereunder. Further SPFO reserves the right to call for an auditor's certificate related to any

information/data provided during the selection process. The Bidder must be able to provide the above required data to SPFO within the stipulated timeline as per SPFO's requirement.

5.9 Conditions of termination

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

The appointment of the Custodian of Securities will be terminated if:-

5.9.1 The Custodian of Securities contravenes the conditions/clauses as specified in the agreement with the SPFO.

5.9.2 The Custodian of Securities is unable to perform the duties and responsibilities as specified in the agreement.

5.9.3 Any representation, undertaking contained, documents, report, statement relating to this RFP/Agreement with SPFO or furnished by the Custodian under or pursuant to this RFP/Agreement with SPFO are untrue, incomplete, inaccurate and/or incorrect in any respect and any material fact has not been disclosed;

5.9.4 If any false declaration or misrepresentation of any information/data or document relating to the RFP or the selection process is found

5.9.5 If in the SPFO's opinion, the services rendered by the Custodian of Securities are unsatisfactory.

5.10 Governing law and Dispute Resolution

In event of any dispute or difference between the parties hereto, such disputes or differences shall be resolved amicably by mutual consultation. If such resolution is not possible, then the unresolved dispute or difference shall be referred to arbitration of the sole arbitrator to be appointed by the SPFO. The provision of Arbitration and Conciliation Act 1996 (No. 26 of 1996) shall be applicable to the arbitration. The venue of such arbitration shall be at Mumbai or any other place, as may be decided by the arbitrator. The language of arbitration proceedings shall be English. The arbitrator shall make a reasoned award (the "Award"), which shall be final and binding on the parties. The cost of arbitration shall be shared equally by the parties to the agreement. However, expenses incurred by each party in connection with the preparation, presentation shall be borne by the party itself. Pending the submission of and/or decision on dispute, difference or claim or until the arbitral award is published; the parties shall continue to perform all their obligations under this RFP/Agreement with SPFO without prejudice to a final adjustment in accordance with such award. Dispute, if any, shall be subjected to jurisdiction of court in Mumbai only.

5.11 Process for transfer of assets after the end of tenure or in case of termination

It shall be the duty of the Custodian of Securities to ensure that it transfers all Financial Assets at the end of the completion of its tenure as Custodian of Securities or termination of the contract, whichever is earlier, as directed by the SPFO.

The Custodian of Securities shall provide all the necessary support in ensuring smooth transfer of all Financial Assets. It shall also ensure the transfer of all the relevant documents/records/information in accordance with the directions issued by the SPFO.

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

The Fee/charges payable to the Custodian of Security for debt investments would be quarterly average asset under custody and settled on a quarter end basis.

For debt investments, the fee shall be paid on the face value of the investments.

5.13 Confidentiality

The Selected Bidder and its personnel shall not, either during the term or after expiration of this contract, disclose any proprietary or confidential information relating to the services, contract or operations without the prior written consent of SPFO.

5.14 Indemnity

The Custodian of Security hereby agrees to indemnify and keep SPFO indemnified from and against any financial loss (including counsel fee) or damage caused to SPFO arising out of misrepresentation, negligence, misconduct and /or misdemeanour or any breach of applicable laws or the provision of this RFP/Agreement with SPFO on part of Custodian of Security or any of its employees/agents/sub-agents etc.

5.15 Non-Assignment

No assignment, sub-contracting or consortium is permissible.

5.16 SPFO reserves the right to reject any proposal in case it is of the opinion that the Bidder has not followed the RFP process and procedure in the true spirit of the word.

5.17 The above clauses are not exhaustive. Further contract terms and detailed Agreement will be shared by SPFO post the selection process, which shall be binding upon the Custodian of Security.

5.18 Refer section 9.8 for the format of Performance Bank Guarantee

6. Electronic RFP Process

6.1 Steps in electronic RFP process:

- 6.1.1 Bidders wishing to participate in the electronic RFP process may get themselves registered at Central Public Procurement (CPP Portal) website <http://eprocure.gov.in/eprocure/app> for submission of proposal in the electronic form as per the terms defined in this document.
- 6.1.2 As part of the enrolment process, the Bidders will be required to choose a unique username and assign a password for their accounts.
- 6.1.3 Bidders are advised to register their valid e-mail address and mobile numbers as part of the registration process. These would be used for any communication from the CPP Portal.
- 6.1.4 Upon enrolment, the Bidders will be required to register their valid Digital Signature Certificate (DSC) (Class II or Class III Certificates with signing key usage) issued by any Certifying Authority recognized by CCA India, with their profile.
- 6.1.5 Only one valid DSC should be registered by a given Bidder. Please note that the Bidders are responsible to ensure that they do not lend their DSCs to others which may lead to misuse.
- 6.1.6 Bidders will then log in to the site through the secured log-in by entering their user ID/password and the password of the DSC/e-Token.
- 6.1.7 A Bidder needs to submit non- refundable bid processing fee charges of **Rs. 2500/- (Two thousand five hundred only)** in favour of “**Seamen’s Provident Fund Admin Ac.**” for participating in the Tender via NEFT / RTGS / IMPS online in the below mentioned Account:
Syndicate Bank,
Mumbai Homiji Street Branch
Account No. **50772010043035**,
IFSC Code: SYNB0005077
- 6.1.8 The Bidders 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 12th November, 2020, 12:00 Hours Bids received after the scheduled date and time of submission will not be entertained.
- 6.1.9 **Earnest Money Deposit** - The bidders shall deposit Earnest Money Deposit (EMD) of Rs. 1,00,000 (Rupees One Lac only) through NEFT/ ECS/ RTGS/ CBS in **Syndicate Bank, Mumbai, Homji Street Branch, Mumbai-400 001, A/c No.- 50772010043035 , IFSC Code- SYNB0005077, MICR 400025017. Account Name- Seamen’s Provident Fund Admin AC.**
- 6.1.10 After making the payment, Bidder needs to send an e-mail at spfoac@gmail.com mentioning about the Payment Details such as UTR No., Company Name, User ID, Payment towards SPFO Bid Processing Fees, Tender ID and Tender Title for Approval. Failure to send remittance detail to the e-mail id may lead to non-consideration of tender.

6.1.11 Proposals not accompanied by EMD shall be rejected as non-responsive.

6.1.11.1 No interest shall be payable for the sum deposited as EMD.

6.1.11.2 The EMD of the unsuccessful Bidders will be returned within one month of signing of the contract with the successful Bidders.

6.1.11.3 EMD shall be forfeited in the following events:

6.1.11.3.1 If proposal is withdrawn during the validity period or any extension agreed by the Bidder thereof.

6.1.11.3.2 If the proposal is varied or modified in a manner not acceptable to the SPFO after opening of Proposal during the validity period or any extension thereof.

6.1.11.3.3 If the Bidder tries to influence the evaluation process.

6.1.11.3.4 If the bidder withdraws/amends/impairs in respect during the bid validity period or fails or refuses to accept the offer from SPFO for being appointed as the Custodian of Securities and/ or fails to provide performance guarantee and/or sign the Agreement within the stipulated period and/ or refuses to accept any of the terms of the Agreement.

6.1.12 Bidders are required to do online submission of pre-qualification, technical and financial bids (as detailed in section 8 of this document) at CPP Portal.

6.1.13 The authorized representative of the Bidders may be present at the time of opening of the pre-qualification, technical and financial bids.

6.1.14 There must be a summary of list of documents against each proposal (pre-qualification, technical and financial bids).

6.1.15 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.

6.1.16 All the pages of the proposal submitted by the Bidders must have the company seal and signature of the authorized signatory. All the pages of the proposal must be serially numbered.

6.1.17 The currency of the proposal and payments shall be in Indian rupees only.

6.1.18 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.

6.1.19 The Bidders must ensure that the softcopies of all bid documents complete in all aspects as detailed in this RFP are submitted online within the stated deadline.

6.2 Completeness of bid documents

- 6.2.1 The SPFO 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 SPFO may, where desired necessary, seek further clarifications or documents from any/ all Bidders in respect of any information provided in the RFP.
- 6.2.3 The Bidder must furnish clarifications within the stipulated time frame failing which the bids submitted by the Bidder concerned will be treated as incomplete.
- 6.3 Evaluation of Pre-qualification, Technical and Financial bids on pre-defined evaluation criteria
- 6.3.1 The Pre-qualification bids of all the Bidders will be evaluated as per the criteria specified in Section 7.1 of this RFP
- 6.3.2 The technical bids of eligible Bidders will be evaluated as per the criteria specified in section 7.2 of this RFP.
- 6.3.3 Bidders, who score at least 70% (3.50 out of a max score of 5) in the technical bid, would only be short-listed for the evaluation of the financial bid.
- 6.3.4 Of the Bidders qualifying in technical bid, the Bidder with lowest financial bid (L1) will be offered appointment as Custodian of Securities. SPFO reserves the right to negotiate terms with the L1 bidder, if required.
- 6.3.5 All proposals will be evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Board of Trustees, SPFO. The CEC may seek oral or written clarifications from the Bidders at any stage during the RFP process. The Bidders must respond/provide the information/clarifications within the timeframe as stipulated by the CEC. Failure to do so may lead to disqualification of the Bidder.
- 6.3.6 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 Custodian of Securities for SPFO's fund
- 6.4.1 Custodian of Securities for SPFO's fund will be finalised based on the evaluation process as prescribed above and the successful Bidder will be informed.
- 6.4.2 SPFO reserves the right to cancel the /RFP process and 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	22 nd October, 2020
2.	Last date for submission of queries on RFP via e-mail (queries to be sent to on the email id spfoac@gmail.com)	30 th October, 2020 by 23:50 Hours
3.	Response to above queries to be uploaded on the SPFO's website	4 th November, 2020
4.	Last date for submitting Proposal	12 th November by 12:00 Hours
5.	Pre-qualification bid opening	13 th November, 2020 by 12.00 Hours
6.	Technical bid opening for the eligible Bidders	18 th November, 2020 by 11.30 Hours

Sr.No.	Key Activities	Due Date*
7.	Financial bid opening for the eligible Bidders	Dates will be notified to technically qualified Bidders
8.	Issuance of letters to selected Custodian of Securities	After the approval from SPFO
9.	Signing of Agreement	To be intimated to the selected Custodian of Securities
10.	Selected Custodian of Securities to be ready in all respects	To be intimated to the selected Custodian of Securities

** The SPFO 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 Custodian of Securities for SPFO's fund is as follows:

S. No	Criteria – Qualifications	Supporting Document
1	<p>a. Bidder should be registered with SEBI as Custodian of Securities and the registration should be valid on the date of issue of this RFP.</p> <p>b. Bidder should have at least 5 years of experience in providing satisfactory custody services in Indian markets as on the date of issue of this RFP.</p>	Section 8.2.1
2	Bidder should have valid income tax Permanent Account Number (PAN) and GST number as on the date of issue of this RFP	Section 8.2.2
3	Bidder should have at least Rs. 60,000 Crores of total Assets Under Custody as on 31 March, 2020.	Section 8.2.3 & 8.2.4
4	<p>Bidder should have at least Rs. 20,000 Crores of debt Assets Under Custody as on 31 March, 2020. And</p> <p>Bidder should have at least Rs. 20,000 Crores of equity Assets Under Custody as on 31 March, 2020.</p>	Section 8.2.3 & 8.2.4
5	Bidder should be able to offer custodial services, settlement services and reporting thereof for all type of eligible securities as per the investment guidelines of SPFO and as amended by SPFO from time to time.	Section 8.2.5
6	The Custodian of Securities/ its subsidiaries/ its holding company/ its associate companies should not have been barred or suspended by any financial sector regulator or government authority or court of law in India from carrying out capital market or money market related activities during the last 5 years from the date of issue of this RFP.	Section 8.2.6
7	The Custodian of Securities/ 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, and have not been black listed.	Section 8.2.7
8	<p>There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending (to the best knowledge of the Custodian of Securities) or threatened against the Custodian of Securities/ 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.</p> <p>Any development with regards to this should be intimated to the SPFO immediately. SPFO reserves the right to reject or disqualify the relevant Custodian of Securities based on the information provided above.</p>	Section 8.2.8
9	The Directors and key personnel of the Custodian of Securities shall be persons who have not been found guilty by any court of law.	Section 8.2.9
10	The Custodian of Securities shall forthwith inform SPFO of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.	Section 8.2.10
11	The Custodian of Securities shall undertake to comply with all the extant SPFO guidelines/ directions as applicable from time to time.	Section 8.2.11
12	The Custodian of Securities shall have the necessary infrastructure, data security, Business Continuity Plan and Disaster Recovery Plan in place to be able to offer custodial services.	Section 8.2.12

Note: If the bidder is not a legal entity in India and is a large foreign bank carrying out its operations as a bank branch in India, then based on power of attorney of the authorized signatory, the authorized person can give undertakings as required in the eligibility, technical and financial bids.

For the affidavit, Rs. 100 non judicial stamp paper would be required as per format given in section 9.7 of the RFP document.

The undertaking needs to be furnished on bidder's official letter head. A single undertaking as per the format given in section 9.6 of this RFP document will be required

7.2 Technical evaluation parameters

The following tables outline the broad parameters based on which evaluation of Technical proposals of the Bidders shall be carried out by SPFO: (refer to section 7.2.1 for evaluation and scoring process)

Sr. No	Parameter	Measurement Criteria	Supporting Document	Weight
1	Experience in providing custodial services	Number of years of experience in providing custody services in Indian markets as on 31 March, 2020	Section 8.3.1	20 per cent
2	Total Assets Under Custody	Average of Total Assets Under Custody (in Rs. Crore) for last one (1) year as on 31 March, 2020 (Calculated on daily basis as per market value for equity, unit based instruments and Book Value for Debt)	Section 8.3.2	10 per cent
3	Debt Assets Under Custody	Average of Debt Assets Under Custody (in Rs. Crore) for last one (1) year as on 31 March, 2020 (Calculated on daily basis)	Section 8.3.3 & 8.3.4	40 per cent
4	Number of clients with the bidder over the last five year period ended March 2020, whose Debt Assets Under Custody is at least Rs. 5,000 Crores	Number of clients with the bidder over the last five year period ended March 2020, whose Debt Assets Under Custody is at least Rs. 5,000 Crores as on 31 March, 2020	Section 8.3.5	30 per cent
Total				100 per cent

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

Score (higher the better) - >	1	2	3	4	5
Experience in providing Custodial services – Number of years	>= 5 and <=7	>7 and <=10	>10 and <=15	>15 and <=20	>20
Total Assets Under Custody – Rs. Crores	60,000 to 1,10,000	> 1,10,000 to 1,60,000	> 1,60,000 to 2,10,000	> 2,10,000 to 2,60,000	> 2,60,000

Score (higher the better) - >	1	2	3	4	5
Average Debt Assets Under Custody – Rs. Crores	20,000 to 70,000	> 70,000 to 1,20,000	> 1,20,000 to 1,70,000	> 1,70,000 to 2,20,000	> 2,20,000
Number of clients with the bidder over the last five year period ended March 2020, whose Debt Assets Under Custody is at least Rs. 5,000 Crores as on March 31, 2020– Number	1, 2	3, 4	5, 6	7, 8	> 8

Illustration (Please note that the numbers used in this section are for illustrative purpose only)

Table 1 (Evaluation of parameters)

	Experience as Custodian of Securities – Years	Total Assets Under Custody – Rs. Crores	Debt Assets Under Custody – Rs. Crores	Number of clients with the bidder over the last five year period ended March 2020, whose Debt Assets Under Custody is at least Rs. 5,000 Crores as on March 31, 2020 – Number
Parametric Weights	20%	10%	40%	30%
Bidder 1	5	240000	170000	10
Bidder 2	8	300000	150000	20
Bidder 3	6	100000	60000	15
Bidder 4	20	250000	220000	8
Bidder 5	25	200000	90000	4

Table 2 (Scoring of parameters)

	Experience as Custodian of Securities – Years	Total Assets Under Custody – Rs. Crores	Debt Assets Under Custody – Rs. Crores	Number of clients with the bidder over the last five year period ended March 2020, whose Debt Assets Under Custody is at least Rs. 5,000 Crores – Number	Technical bid score
Parametric Weights	20%	10%	40%	30%	100%
Bidder 1	1	4	3	5	3.30
Bidder 2	2	5	3	5	3.60
Bidder 3	1	1	1	5	2.20
Bidder 4	4	4	4	4	4.00
Bidder 5	5	3	2	2	2.7

[^]Working for Bidder 2 = (20%*2 + 10%*5 + 40%*3 + 30%*5) = 3.60

7.3 Overall evaluation scoring

	Technical bid score	Qualified for financial bid (Yes/ No) considering technical cut-off of 3.50	Financial Bid	Rank
Parametric Weights				
Bidder 1	3.30	No	NA	NA
Bidder 2	3.60	Yes	0.005%	L2
Bidder 3	2.20	No	NA	NA
Bidder 4	4.00	Yes	0.001%	L1
Bidder 5	2.7	No	NA	NA

Note - Bidders, who score at least 70% (3.50) in the Technical bid evaluation, would only be short-listed for the evaluation of Financial bid.

8. Format of Pre-qualification, Technical and Financial bid

8.1 Documents comprising the proposal

The proposal submitted by the Bidder 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 authorized representative of the Bidder.
- 8.1.2 Technical bid with all the technical 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 authorized representative of the Bidder.
- 8.1.3 The Bidder'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 authorized representative of the Bidder.
- 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 An undertaking by Chief Executive Office/Managing Director/Equivalent official as per the format given in Section 9.6 of this RFP.
- 8.1.6 Any other information that is to be submitted during the course of the proposal process.
- 8.1.7 There must be a summary of the list of documents against the proposal for RFP.

8.2 Pre-qualification bid format

Name of bidder (full name of the firm):

Address with telephone No., Fax No., E-Mail ID, etc.

Names of Directors of the bidder:

Shareholding pattern of the promoters:

Name and designation of authorised representative:

Nature of business/ products or services offered by the bidder(s):

Date of incorporation:

Date of commencement of business:

Registered office address:

Address for communication:

Payment details:

- Tender processing fee :
- EMD Details:

Format for submission of pre-qualification bid and supporting documents against each of the 12 pre-qualification bid criteria as laid down in section 7.1 of this RFP:

Sr. No.	Pre-qualification bid criteria	Details required	Annexure No. for Supporting document	Required Supporting document and its details
1	<p>a. Bidder should be registered with SEBI as Custodian of Securities and the registration should be valid on the date of issue of this RFP.</p> <p>b. Bidder should have at least 5 years of experience in providing satisfactory custody services in Indian markets as on the date of issue of this RFP</p>	<p>a. State registration number and date of valid registration with SEBI</p> <p>b. State number of completed years (up to two decimal places)</p>		As per section 8.2.1
2	Bidder should have valid income tax Permanent Account Number (PAN) and GST number as on the date of issue of this RFP	State income tax Permanent Account Number (PAN) and GST number		As per section 8.2.2
3	Bidder should have at least Rs. 60,000 Crores of total Assets Under Custody as on 31 March, 2020.	State Total Asset Under Custody		As per section 8.2.3 & 8.2.4
4	<p>Bidder should have at least Rs. 20,000 Crores of debt Assets Under Custody as on 31 March, 2020.</p> <p>And</p> <p>Bidder should have at least Rs. 20,000 Crores of equity Assets Under Custody as on 31 March, 2020.</p>	State Debt Asset Under Custody and Equity Asset Under Custody		As per section 8.2.3 & 8.2.4
5	Bidder should be able to offer custodial services, settlement services and reporting thereof for all type of eligible securities as per the investment guidelines of SPFO and as amended by SPFO from time to time.	Yes / No		As per section 8.2.5
6	The Custodian of Securities/ its subsidiaries/ its holding company/ its associate companies should not have been barred or suspended by any financial sector regulator or government authority or court of law in India from carrying out capital market or money market related activities during the last 5 years from the date of issue of this RFP.	Yes/No		As per section 8.2.6
7	The Custodian of Securities/ 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, and have not been black listed.	Yes/No		As per section 8.2.7

Sr. No.	Pre-qualification bid criteria	Details required	Annexure No. for Supporting document	Required Supporting document and its details
8	There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending (to the best knowledge of the Custodian of Securities) or threatened against the Custodian of Securities/ 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. Any development with regards to this should be intimated to the SPFO immediately. SPFO reserves the right to reject or disqualify the relevant Custodian of Securities based on the information provided above.	Yes/No		As per section 8.2.8
9	The Directors and key personnel of the Custodian of Securities shall be persons who have not been found guilty by any court of law.	Yes/No		As per section 8.2.9
10	The Custodian of Securities shall forthwith inform SPFO of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.	Yes/No		As per section 8.2.10
11	The Custodian of Securities shall undertake to comply with all the extant SPFO guidelines/ directions as applicable from time to time.	Yes/No		As per section 8.2.11
12	The Custodian of Securities shall have the necessary infrastructure, data security, Business Continuity Plan and Disaster Recovery Plan in place to be able to offer custodial services.	Yes/No		As per section 8.2.12

8.2.1 Bidder should provide copy of registration with SEBI as Custodian of Securities and the registration should be valid on the date of issue of this RFP.

Bidder should have at least 5 years of experience in providing satisfactory custody services in Indian markets as on the date of issue of this RFP. For this, bidder should provide copies of registration and renewal certificates with SEBI indicating continuous experience..

8.2.2 Enclose copy of Income tax Permanent Account Number (PAN) and GST number

8.2.3 Bidder should have at least Rs. 60,000 Crores of Total Assets Under Custody as on 31 March, 2020. - Certificate of total assets under custody as on 31 March, 2020, duly certified by an auditor recognized by ICAI.

Bidder should have at least Rs. 20,000 Crores of Debt Assets Under Custody as on 31 March, 2020. - Certificate of Debt assets under custody as on 31 March, 2020, duly certified by an auditor recognized by ICAI.

Bidder should have at least Rs. 20,000 Crores of Equity Assets Under Custody as on 31 March, 2020. - Certificate of Debt assets under custody as on 31 March, 2020, duly certified by an auditor recognized by ICAI.

8.2.4 Client segment wise break up of Assets Under Custody reported above (in Section 8.2.3), duly certified by an auditor recognized by ICAI in the following format

Sr. No.	Client Segment (Mutual Fund, Portfolio Management Services, Insurance, Pension/Provident Fund, Offshore Investors etc.)	Equity Assets Under Custody (Rs. Crores)	Debt Assets Under Custody (Rs. Crores)	Total Assets Under Custody (Rs. Crores)

8.2.5 Bidder should be able to offer custodial services, settlement services and reporting thereof for all type of eligible securities as per the investment pattern of SPFO and as amended by SPFO from time to time. - An Undertaking (as on date of application) from the Chief Executive Officer or Managing Director or equivalent official of the Custodian of Securities certifying the same.

Please refer section 9.6 for the format of undertaking

8.2.6 An affidavit by the Chief Executive Officer or Managing Director or equivalent of the Custodian of Securities and duly notarised by a public notary, confirming that the Custodian of Securities / its subsidiaries/ its holding company/ its associate companies have not been barred or suspended by any financial sector regulator or government authority or court of law in India from carrying out capital market or money market related activities during the last 5 years from the date of issue of this RFP.

Refer to section 9.7 for format of Affidavit.

8.2.7 An affidavit by the Chief Executive Officer or Managing Director or equivalent of the Custodian of Securities and duly notarised by a public notary, confirming that the Custodian of Securities / 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, and have not been black listed till the date of issue of this RFP.

Refer to section 9.7 for format of Affidavit.

8.2.8 An affidavit by the Chief Executive Officer or Managing Director or equivalent official of the Custodian of Securities, duly notarized by a public notary there are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending (to the best knowledge of the

Custodian of Securities) or threatened against the Custodian of Securities/ 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. Any development with regards to this will be intimated to SPFO immediately.

Refer to section 9.7 for format of Affidavit.

- 8.2.9 An undertaking from the Chief Executive Officer or Managing Director or equivalent official of the Custodian of Securities certifying that the Directors and key personnel of the Custodian of Securities have not been found guilty by any court of law till the date of issue of this RFP.

Refer to section 9.6 for format of Undertaking.

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

Refer to section 9.6 for format of Undertaking.

- 8.2.11 An undertaking from the Chief Executive Officer or Managing Director or equivalent official of the Custodian of Securities certifying that the Custodian of Securities shall comply with all the extant SPFO guidelines/ directions as applicable from time to time.

Refer to section 9.6 for format of Undertaking.

- 8.2.12 An undertaking from the Chief Executive Officer or Managing Director or equivalent official of the Custodian of Securities certifying that the Custodian of Securities shall have the necessary infrastructure, data security, Business Continuity Plan and Disaster Recovery Plan in place to be able to offer custodial services.

Refer to section 9.6 for format of Undertaking.

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

8.3 Technical Proposal Format

Format for providing technical bid and supporting documents against each criteria as laid down in section 7.2 of this RFP

Sr. No.	Technical bid criteria	Details required	Annexure No. for Supporting document	Required Supporting document and its details
1	Experience in providing custodial services	State number of years of experience (up to two decimal places)		As per section 8.3.1
2	Total Assets Under Custody	State Average of Total Assets Under Custody (in Rs. Crore)		As per section 8.3.2
3	Debt Assets Under Custody	State Average of Debt Assets Under Custody (in Rs. Crore)		As per section 8.3.3 & 8.3.4

Sr. No.	Technical bid criteria	Details required	Annexure No. for Supporting document	Required Supporting document and its details
4	Number of clients with the bidder over the last five year period ended March 2020, whose Debt Assets Under Custody is at least Rs. 5,000 Crores	State Number of clients		As per section 8.3.3 & 8.3.4

8.3.1 Copy of registration and renewal certificates with SEBI indicating continuous experience to be enclosed. State number of completed years (up to two decimal places) of experience in providing custodial services in Indian markets as on 31 March, 2020.

8.3.2 Enclose Certificate for average of Total Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by the statutory auditor.

8.3.3 Enclose Certificate for average of Debt Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by an auditor recognized by ICAI.

8.3.4 Enclose client segment wise break up of Assets Under Custody reported above (in Section 8.3.2), duly certified by an auditor recognized by ICAI in the following format:

Sr. No.	Client Segment (Mutual Fund, Portfolio Management Services, Insurance, Pension/Provident Fund, Offshore Investors etc.)	Equity Assets Under Custody (Rs. Crores)	Debt Assets Under Custody (Rs. Crores)	Total Assets Under Custody (Rs. Crores)

8.3.5 Enclose certificate for Number of clients with the bidder over the last five year period ended march 2020 whose Debt Assets Under Custody is at least Rs. 5,000 Crores as on 31 March, 2020, duly certified by an auditor recognized by ICAI.

Number of clients with Debt Assets Under Custody of at least Rs. 5,000 Crores

Sr. No.	Client Segment (Mutual Fund, Portfolio Management Services, Insurance, Pension/Provident Fund, Offshore Investors etc.)	Number of clients with the bidder over the last five year period ended 31 March, 2020 whose debt assets under custody is at least Rs. 5,000 Crores as on 31 March, 2020

Note: Client should be counted at an entity level and not at scheme or account level

8.4 Financial bid Format

8.4.1 The Financial bid shall be submitted in the following format:

Charges	Percentage (%) in figures (excluding GST)	Percentage (%) in words (excluding GST)
Fee for debt assets - Fee as a percentage of face value of the quarterly average debt Asset Under Custody		

8.4.2 The fee to be charged by the Custodian of Securities should be as an absolute percentage (and not annualized percentage) of the total face value of the quarterly average assets under custody for debt securities. The payment of the fee would be made on quarterly basis.

8.4.3 The fee quoted by the Custodian of Securities should be inclusive of all charges (excluding GST)

8.4.4 The fee quoted should be unconditional and inclusive of the expenditure to be incurred on the work mentioned in section 4 of the RFP.

8.4.5 Taxes as applicable on the services (GST) rendered by the Custodian of Securities will only be reimbursed by SPFO on producing the supporting documents.

Illustration for the calculation of the fees charged on the debt asset under custody

Date	Face Value of Debt Assets Under Custody (in Rs)-Opening Balance
01-Jan-20	₹ 1,00,00,000
02-Jan-20	₹ 1,02,00,000
03-Jan-20	₹ 1,05,00,000
04-Jan-20	₹ 1,09,00,000
05-Jan-20	₹ 1,15,00,000
-	-
-	-
-	-
-	-
-	-
30-Jan-20	₹ 2,10,00,000
31-Jan-20	₹ 2,15,00,000
01-Feb-20	₹ 2,25,00,000
02-Feb-20	₹ 2,37,00,000
03-Feb-20	₹ 2,56,00,000
-	-
-	-
28-Mar-20	₹ 3,10,00,000
29-Mar-20	₹ 3,15,00,000

30-Mar-20	₹ 3,28,00,000
31-Mar-20	₹ 3,47,00,000
<i>Qtrly Avrg of Debt Assets Under Custody (in Rs)*</i>	₹ 2,20,85,457
Fees Charged by Custodian (in absolute terms)	0.005%
Total Fees charged at the end of quarter (in Rs)	₹ 1,104 = 0.005%*₹ 2,20,85,457

**Qtrly Avrg of Debt Assets Under Custody is calculated using the following formula – Average of debt assets under custody of all days from 1-Jan-2020 to 31-Mar-2020 (Face value of the investments will be used for calculation of asset under custody)*

9. Formats for Covering Letter, Clarification, Deviation, Undertaking and Affidavit

9.1 Format for Pre-qualification Covering letter

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

Ref : _____

Date and Place : _____

Commissioner,
Seamen's Provident Fund Organization (SPFO)
"Krupanidhi" Bldg. 3rd Floor,
9, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 001

Dear Sir,

Ref: Request for Proposal (RFP): Appointment of Custodian of Securities for SPFO's fund

We refer to the communication inviting Request for Proposal (RFP) for Appointment of Custodian of Securities for the SPFO'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 Custodian of Securities for SPFO's fund. 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 SPFO 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 SPFO 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 authorized to submit the proposal.

Further, the authorized 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 Bidder submitting the proposal).

Ref: _____

Date and place: _____

Commissioner,
Seamen's Provident Fund Organization (SPFO)
"Krupanidhi" Bldg. 3rd Floor,
9, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 001

Dear Sir,

Ref: Request for Proposal (RFP): Appointment of Custodian of Securities for the SPFO's fund

We refer to the Request for Proposal (RFP) for Appointment of Custodian of Securities for SPFO'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 act as Custodian of Securities and satisfy the requirements laid out in the RFP document.

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 Custodian of Securities for SPFO'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 Custodian of Securities.

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 SPFO 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 SPFO 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 SPFO 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 authorized to submit the proposal.

Further, the authorized 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 Bidder submitting the proposal)

Ref: _____

Date and place: _____

Commissioner,
Seamen's Provident Fund Organization (SPFO)
"Krupanidhi" Bldg. 3rd Floor,
9, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 001

Dear Sir,

Ref: Request for Proposal (RFP): Appointment of Custodian of Securities for the SPFO'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 Request for Proposal (RFP) for Appointment of Custodian of Securities for SPFO'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 SPFO or its appointed representatives.

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 SPFO 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 SPFO 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 authorized to submit the proposal.

Further, the authorized 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

Bidder'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

Bidder'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 undertaking

UNDERTAKING (To be given on company letter head)

I, _____, am the Chief Executive Officer/Managing Director/ equivalent official of
_____ <company name> ("Custodian of Securities") having its registered office at
_____.

By the board resolution dated / Power of Attorney _____, (enclosed) I am authorized to sign and execute this undertaking on behalf of the Custodian of Securities for submitting a proposal pursuant to the Request for Proposal dated 22nd October, 2020 ("**RFP**") issued by the SPFO for appointment of Custodian of Securities for the SPFO's fund.

I, on behalf of the Custodian of Securities, solemnly affirm and declare that:

- a. The Custodian of Securities shall be able to offer custodial services, settlement services and reporting thereof for all type of eligible securities as per the investment guidelines of SPFO and as amended by SPFO from time to time.
- b. The Custodian of Securities has the necessary infrastructure, data security, Business Continuity Plan and Disaster Recovery Plan in place to be able to offer custodial services.
- c. The Directors and key personnel of the Custodian of Securities are persons who have not been found guilty by any court of law.
- d. The Custodian of Securities shall forthwith inform the SPFO of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.
- e. The Custodian of Securities shall comply with all the extant SPFO guidelines/ directions as applicable from time to time.
- f. The information/supporting documents furnished with respect to section 7 of this RFP are true, accurate and complete.
- g. The Custodian of Securities shall arrange for adequate insurance cover for the entire Securities belonging to SPFO.

Solemnly affirmed and undertaken on the day and year herein below written, by:

Signature
Name
Date

Encl: (i) Certified copy of the Board Resolution dated _____.

9.7 Format for affidavit

AFFIDAVIT

I, _____ <<officer name>>, am the Chief Executive Officer/Managing Director/ equivalent official of _____ <<company name>> ("**Custodian of Securities**") having its registered office at _____ <<registered address>>. By the board of director's resolution dated / Power of Attorney _____, (enclosed) I am authorized to sign and execute this affidavit on behalf of the Custodian of Securities for submitting a proposal pursuant to the Request For Proposal dated 22nd October, 2020 ("**RFP**") issued by Seamen's Provident Fund Organization ("**SPFO**") for appointment of Custodian of Securities for SPFO's Fund. I, on behalf of the Custodian of Securities, solemnly affirm and declare that:

- a. The Custodian of Securities/ its subsidiaries/ its holding company/ its associate companies have not been barred or suspended by any financial sector regulator or government authority or court of law in India from carrying out capital market or money market related activities during the last 5 years from the date of issue of this RFP.
- b. The Custodian of Securities/ 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, and have not been black listed.
- c. There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending (to the best knowledge of the Custodian of Securities) or threatened against the Custodian of Securities/ 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. Any development with regards to this will be intimated to SPFO immediately.

<<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, SPFO may at its sole discretion hold 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:

9.8 Format of Performance Bank Guarantee

SECURITY

[The bank, as requested by the successful Bidder, shall fill in this form in accordance with the instructions indicated]

To

Commissioner, Seamen's Provident Fund Organization, Mumbai

Date: [insert date (as day, month, and year) of Notification of Award]

And Contract No. _____

Bank's Branch or Office: [insert complete name of Guarantor]

Beneficiary: SPFO, _____

PERFORMANCE GUARANTEE No.: [insert Performance Guarantee number]

We have been informed that [insert complete name of firm] (hereinafter called "the Bidder") has entered into Contract No. [insert number] dated [insert day and month], [insert year] with you, for services as the Custodian of Security (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a Performance Guarantee is required.

At the request of the firm, we hereby irrevocably undertake to pay you any sum(s) not exceeding [insert amount(s) in figures and words] upon receipt by us of your first demand in writing declaring the Bidder to be in default under the Contract, without cavil or argument, or your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

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

We further agree that no change or addition to or other modification of the terms of the contract to be performed there under or of any of the contract documents which may be made between you and the Bidder shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

This PBG is issued by <bank name, branch>, datedat the request of M/s <bidder name>. Confirmation of this guarantee if the same is desired, should be obtained from the office named above.

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

[Signatures of authorized representatives of the bank and the Bidder]

10. Investment Pattern of SPFO

(i)	Government Securities & related instruments (Govt Bonds)	Min. 45% and Up to 50 %
(ii)	Debt instruments & related instruments (PSU Bonds rated AAA by at least two credit rating agencies and Fixed Deposit of scheduled commercial banks for more than 1 year, as prescribed in Ministry of Finance notification 2015).	Minimum 35% and up to 45%
(iii)	Money market instruments	Up to 5%
(iv)	Equity and related investments	*Minimum 5% and up to 15%

*The investment in category 'Equity and related investments', portfolio manager should restrict its investment in SBI – ETF Nifty 50 only.

Contact Details:

Shri Surendra Kumar,
Commissioner,
Seamen's Provident Fund Organization (SPFO)
"Krupanidhi" Bldg. 3rd Floor,
9, Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 001
Tel.: 022 – 226 162 02 (p) Commissioner
Tel.: Office: 226 169 25/ 226 746 34
Fax: 022 – 226 162 02
Email id- spfoac@gmail.com