

## Punjab State Power Corporation Limited (“PSPCL”)

### **Request for proposal (RFP)**

Sealed Proposals are invited by **Board of Trustees PSPCL General Provident Fund Trust**, The Mall, Patiala, Punjab from SEBI registered Merchant Bankers / Portfolio manager with functional office in New Delhi/Chandigarh/ Patiala who are interested in providing Portfolio / Fund Advisory Services to PSPCL General Provident Fund Trust. The last date of submission of proposal is up to 11.00 AM of 21.5.2012 and shall be opened on the same day at 11.30 AM. The Proposal shall be submitted by the bidder in sealed envelope subscribed as “Proposal for Providing Portfolio/ Fund Advisory Services to PSPCL General Provident Fund Trust”.

Detailed Bid Document can be down-loaded from PSPCL website [www.pspcl.in](http://www.pspcl.in)

Dy. Chief Accounts Officer,  
PSPCL, The Mall,  
Patiala, Punjab  
India.

RFP No. ....

Dated:.....



**Punjab State Power Corporation Limited  
(PSPCL)**

**INVITING REQUEST FOR PROPOSAL**

**FOR APPOINTMENT AS PORTFOLIO/ FUND ADVISOR**

**FOR  
PSPCL General Provident Fund Trust**

**Chief Accounts Officer  
PSPCL, The Mall, Patiala  
Punjab-147001  
0175-2213046  
e-mail [cao-pspcl@pspcl.in](mailto:cao-pspcl@pspcl.in)**

## **Appointment of Portfolio/ Fund Advisor for PSPCL.** **General Provident Fund Trust**

**Board of Trustees, Punjab State Power Corporation Limited (“PSPCL”)**  
**General Provident Fund Trust** invite sealed Request for Proposal(RFP) for appointment as Portfolio/ Fund Advisor of **General Provident Fund Trust** of PSPCL under the “Discretionary Portfolio/ Fund Advisory Services” category by parties who fulfill the Eligibility Criteria as mentioned below:

### **ELIGIBILITY CRITERIA FOR BIDDING**

**The entities fulfilling the below mentioned criteria are eligible to submit** Request for Proposal(RFP) The Bidder should be a SEBI registered Merchant Bankers/Portfolio manager. A copy of the Registration Certificate to that effect, if any, should be enclosed.

1. The bidder must have at least 3 (three) years relevant experience in advising Provident Fund/ Retirement Benefit trusts with Assets under formal fund advisory from such trusts of not less than Rs. 4000 crores as on Sep 30, 2011 and experience of working with at least 3 Central/State Government/Public Sector Undertakings for the advisory of their Provident Fund/Retirement Benefit Trust(s).
2. The Bidder should have an operational branch office in New-Delhi/Chandigarh/ Patiala with at least 1 personnel with finance background i.e Chartered/Cost Accountant(s) , post graduate qualifications in Finance such as MBA, MFC etc. working full time out of that office, preferably, on assignments of similar nature.*(A self-declaration should be attached)*
3. The Bidder should not have been barred or blacklisted by any Central/State Government/ Public Sector Undertaking including power Utility or Power Sector Financial Institution in the last 5 years. *(A self-declaration should be attached)*

### **Terms of Reference**

Please note that the term “General Provident Fund Trust” as is used in this document shall refer to trust formed for the management of Provident Fund of PSPCL employees.

The Portfolio Advisor shall ensure that the investment of the funds are made in a prudent manner in compliance with the Statutory guidelines applicable from time to time and to maximize the annualized returns on the fund through a judicious deployment in capital securities/ money market instruments etc. based on a professional , detailed assessment and evaluation of all relevant macro and micro

factors pertaining to the economy and industry by following the basic principles of investment i.e. Safety, Liquidity and Returns.

The investment of general provident fund trust are to be made in line with the various statutory requirements (Govt. of India notifications as amended from time to time, Income Tax Act, Companies Act, Indian Trusts Act and Govt. of Punjab Guidelines).

The Portfolio Advisor shall observe a high standard of integrity and fair dealing in all transactions involving the Trust's account..

The Portfolio Advisor shall undertake to comply with all the extant PSPCL guidelines/directions in addition to SEBI (Portfolio Managers) Regulations, 1993 as amended from time to time.

The following are strict pre-conditions to the appointment of the Fund /Portfolio Advisor for PSPCL General Provident Fund Trust

All Investments by PSPCL General Provident Fund Trust in Securities/ Debentures/ Bonds/ Equity Stocks/ Mutual Fund Units, etc. shall be held in the name of the Trust only and in PHYSICAL/DEMAT form or any other format as is applicable for that investment avenue.

The availability of funds as and when available for investment shall be intimated to the fund /portfolio advisor and shall be credited to a bank account with a commercial bank in the name of the Trust. The fund / portfolio advisor shall endeavor to advise investment of Trust funds immediately. However, at no point in time, the funds shall be transferred to the fund /portfolio advisor for further investments in the market.

### **Guidelines for Prospective Bidders**

1. The Bids completed in all aspects, must reach the office of Chief Accounts Officer, Punjab State Power Corporation Limited, The Mall, Patiala- 147001 (Punjab) by **21.5.2012, 11.00 A.M** Bids that are found incomplete in any aspect shall be disqualified without prior notice.
2. The Financial Bid may please be enclosed in a separate sealed envelope subscribed as "Financial Bid for offering Portfolio Advisory Services to PSPCL General Provident Fund Trust"
3. The Technical Bid may please be enclosed in a separate sealed envelope subscribed as "Technical Bid for offering Portfolio Advisory Services to PSPCL General Provident Fund Trust ."

4.The company “PSPCL” holds the right to amend, cancel, postpone, the entire process for the appointment of Portfolio Advisor at any time without assigning the reasons thereof.

5.Cost of Bid Document is Rs. 1000/ which shall be paid through Demand Draft favoring PSPCL payable at Patiala. The draft shall be sealed in a separate envelope.

6.For any clarifications, the parties are informed to contact Dy. Chief Accounts Officer, Punjab State Power Corporation Limited, The Mall, Patiala- 147001 (Punjab) between 10.00 AM and 4.00 PM on any working day. The clarifications, if any, can also be sought through e-mail address cao-ppcl@ pspcl.in mobile No. 96461-18851.

7. Successful bidder shall have to deposit security deposit of Rs. 50000/ for faithful execution of the advisory assignment to be allotted.

8. PSPCL reserves right to appoint more than one fund advisor(s) as it deems fit.

### **TECHNICAL CRITERIA FOR EVALUATION**

1. The Portfolio/Fund Advisor to be selected must have at least three( 3) years relevant experience in advising provident fund/retirement benefit funds . Further, entity should have such experience with at least 3 Central/State Government/Public Sector Undertakings for advising their Provident Fund/Retirement benefits trusts.

2. The Portfolio Advisor to be selected must have Assets under formal Fund Advisory from Provident Fund/ Retirement Benefit Trusts not less than Rs. 4,000 Crores as on September 30, 2011.

3. The Portfolio/ Fund Advisor to be selected must have been working in the Capital Market Industry for at least 7 years now.

4.The Directors/Partners and Key personnel of the Portfolio Advisor shall be persons with adequate professional experience in the financial services industry and not be found guilty of moral turpitude or convicted of any economic offence or violation of any financial sector laws.

5. The Bidder should have an operational branch office in New-Delhi/Chandigarh/Patiala with at least 1 personnel with finance background i.e. Chartered/Cost Accountant(s), post graduate qualifications in finance such as MBA, MFC etc. working full time out of that office, preferably on assignments of similar nature.

### **FINANCIAL BID FOR EVALUATION**

The Financial Bid shall be enclosed in a sealed envelope subscribed as “Financial Bid for offering Portfolio/ Fund Advisory Services to PSPCL General Provident Fund Trust”.

## EVALUATION METHODOLOGY

o The Board of Trustees PSPCL General Provident Fund Trust may appoint such Committee(s) / Consultant(s) as they consider necessary to assist the process of evaluation of the RFP Package submitted by interested parties.

o Based on the RFP submitted by the interested parties, the PSPCL will carry out an evaluation of the qualification of such applicants

o The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to applicable evaluation criteria, sub-criteria, and point system specified in the Bid Document.

o Each responsive Proposal will be given a technical score (St). A Proposal shall be rejected at this stage if it does not respond to important aspects of the Bid Document, and particularly if it fails to achieve the minimum technical score of 60 points out of maximum 100 points.

o After the technical evaluation is completed, the PSPCL shall inform the Bidder(s) who have submitted proposals the technical scores obtained by their Technical Proposals, and shall notify those Bidders whose Proposals did not meet the minimum qualifying mark or were considered non responsive, that their Financial Proposals will be returned unopened after completing the selection process.

o The Client shall simultaneously notify in writing Bidder(s) that have secured the minimum qualifying mark, the date, time and location for opening the Financial Proposals. The opening date shall allow Eligible Bidder(s) sufficient time to make arrangements for attending the opening. The attendance at the opening of Financial Proposals to all eligible Bidder(s) is optional.

o The lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as below:

**$Sf = 100 \times Fm / F$ , in which Fm is the lowest price and F the price of the proposal under consideration.**

o Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) indicated in the Bid Document:  $S = St \times T\% + Sf \times P\%$ . The firm achieving the highest combined technical and financial score can be invited for negotiations. In the case of a tie in the combined scoring, the entity with the highest technical score shall be considered for appointment.

o If at any time during the evaluation process, the PSPCL requires any clarification in order to carry out the evaluation, it reserves the right to request such information from any or all of the bidders who will be obliged to respond to any reasonable request for

such information and to supply the same to the PSPCL within such reasonable time-frame as the PSPCL may require, if the RFP is to be processed further.

o The Portfolio Advisor shall forthwith inform the PSPCL authorities of any material change in the information or particulars previously furnished, which have a bearing on the appointment granted.

### **TENOR OF APPOINTMENT**

The appointment of the Portfolio Advisor shall be for a period of 2 (Two) years. This may be extended by mutual consent of the Portfolio advisor concerned and PSPCL by one year depending on the performance of the former. The performance of the Fund Advisors shall be reviewed on a regular basis and the PSPCL reserves the right to terminate the appointment of any of the Portfolio Advisors if their performance is not up to the mark by giving 3 months notice

### **DISQUALIFICATION**

1 The PSPCL shall not consider for the purpose of qualification, RFP which is found to be incomplete in contents 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 or is not accompanied by the application processing fee i.e. demand draft for cost of bid document Rs. 1000/-.

2 The PSPCL reserves the right to withdraw from the process or any part there of or vary any terms at any time without assigning any reasons. The PSPCL reserves the right to accept or reject any/all offer(s) without assigning any reasons. Without prejudice to any other rights or remedies available to the PSPCL, Fund advisors may be disqualified and their RFPs rejected for any reason whatsoever including those listed below:

2.1 Material misrepresentation by the applicant whether in the RFP or otherwise, or

2.2 Failure by the applicant to provide the information required to be provided in the RFP pursuant to relevant sections of this document.

3 If information becomes known, after the applicant has been qualified to the next stage of appointment, which would have entitled the PSPCL to reject or disqualify the relevant Fund Advisor(s), the PSPCL reserves the right to reject the applicant at the time, or at any time after, such information becomes known to the PSPCL.

4 In regard to matters other than the security and integrity of the country, 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 advise employee general provident fund, or which relates a grave offence would constitute disqualification. Grave offence is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken

on a case-to-case basis after considering the facts of the case and relevant legal principles, by the PSPCL.

5 The interested parties shall be required to provide with their RFP an undertaking to the effect that no investigation by a regulatory authority is pending against them. In case any investigation is pending against the concern or its sister concern(s) or against its CEO or any of its Directors / Managers/ Employees, full details of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the PSPCL.

6 The Fund Advisor not satisfying the eligibility and requisite qualification criteria specified in the above sections are not eligible to have their applications considered.

**Enclosures:**

- |            |   |
|------------|---|
| Section 1) | Format for providing Specific/Technical information |
| Section 2) | Format for providing Financial Bid                  |
| Section 3) | BID Evaluation Criteria/ Scoring Methodology        |



## SECTION 1

### **FORMAT FOR PROVIDING SPECIFIC/TECHNICAL INFORMATION**

| <b>Sr. No.</b> | <b>Particulars</b>  |  |
|----------------|---|--|
| 1.             | Name of Bidder  |  |
| 2              | Nature of Bidder  | Registered Company/Partnership firm/<br>Proprietorship firm etc. |
| 3.             | Year of coming into existence of the Bidder   |  |
| 4              | Nature of business of the Bidder  |  |
| 5              | Whether Registered with NSE or BSE or with both NSE & BSE   | Yes/No   |
| 6              | Whether Registered as Merchant Bankers with SEBI  | Yes/ NO  |
| 7.             | Whether Registered as Portfolio Manager with SEBI.  |  |
| 8.             | Organization Set Up   |  |
| 9.             | Whether the bidder was blacklisted/ barred by any central or state government/ public sector undertaking/ board in last 5 years till the time of submitting the bid? If yes, give details of clients/ organizations by who blacklisted/ barred. | Yes/ No  |
| 10             | Does the bidder have Assets under formal advisory from Retirement Benefits and/or Provident Fund Trusts of not less than Rs. 4,000 crores as on September 30, 2011  | Yes/ No  |
| 11             | Does the bidder have Assets under formal advisory from Defined Benefit Scheme and/or Provident Fund Trust of any 3 central/state government/public sector undertakings September 30, 2011 for at least 3 years                                  | Yes/ No  |
| 12.            | Does the bidder have functional office at New Delhi/Chandigarh/ Patiala with at least 1 personnel with Chartered/Cost   | Yes/ No  |

|     |  |  |                                  |                        |
|-----|--|--|----------------------------------|------------------------|
|     | Accountant(s)/ postgraduate finance qualifications such on MBA, MFC etc. working full time out of that office.<br><br>State the office address and attach the CVs of the personnel.<br><br>Is any such assignment handled from this office                         | Yes/ No  |                                  |                        |
| 13. | No. of years in capital market industry as on September 30, 2011   |  |                                  |                        |
| 14. | Name of Team Leader and his stay in the organization in no. of years.  |  |                                  |                        |
| 15. | Persons proposed to be dedicated for the assignment (Fund Advisory/ team), their qualification & experience  |  |                                  |                        |
| 16. | Research team and their qualification & Experience   |  |                                  |                        |
| 17. | Assets under Advisory of Provident Fund and/or Defined Benefit Scheme of Central/State Government (s)/Public Sector Companies (excluding assets of the applicant & its Group Companies) during last three financial years ending September 30, 2011(Rs. In Crore): | FY   | Name of PF or Pension fund Trust | Assets in (Rs. Crores) |
|     |  |  |                                  |                        |
| 18. | Any other details.( Refer to Bid Documents & Bid evaluation criteria )   |  |                                  |                        |
| 19  | Enclosures   | All the documents in support of the above information/data and as given in the list of enclosures must be submitted. |                                  |                        |

**A. Enclosures to be submitted with the Technical Bids:**

| 1  | Registration Certificate as Merchant Bankers/Portfolio manager with SEBI  |                  |                   |                  |  |  |  |
|----|---|------------------|-------------------|------------------|--|--|--|
| 2  | Membership Certificate of any Stock Exchange  |                  |                   |                  |  |  |  |
| 3  | Incorporation Certificate of the Company with the Registrar of Companies/ Other appropriate authority   |                  |                   |                  |  |  |  |
| 4  | Audited Accounts for the last 3 financial years ending 31 <sup>st</sup> March, 2011 along with audit report.  |                  |                   |                  |  |  |  |
| 5  | Proof showing for how many years the bidder is in capital market. In absence of the proof, the bidder shall furnish a self attested certificate indicating the number of years in capital market.   |                  |                   |                  |  |  |  |
| 6. | Proof showing Operational Office at New-Delhi/Chandigarh/Patiala  |                  |                   |                  |  |  |  |
| 7. | Documentary evidence showing No. of trusts of Central/State Government(s)/Public Sector Undertakings being offered retirement fund/Provident Fund advisory services up to 30 <sup>th</sup> September, 2011 (At Least 3)   |                  |                   |                  |  |  |  |
| 8  | A certificate from the Chartered Accountant in practice in support of the Total Assets under Advisory for Defined Benefit Scheme and/or Provident Fund (excluding assets of the applicant & its Group Companies) during last three financial years ending 30 <sup>th</sup> September, 2011 (Rs. In Crore):<br><table border="1" data-bbox="347 1211 956 1346"><thead><tr><th>FY</th><th>Name of the Trust</th><th>Assets in Crores</th></tr></thead><tbody><tr><td></td><td></td><td></td></tr></tbody></table> | FY               | Name of the Trust | Assets in Crores |  |  |  |
| FY | Name of the Trust   | Assets in Crores |                   |                  |  |  |  |
|    |   |                  |                   |                  |  |  |  |
| 9  | Appointment letters of various organizations as Fund Advisor.   |                  |                   |                  |  |  |  |
| 10 | Power of Attorney in favour of the person submitting and signing the bid/ offer   |                  |                   |                  |  |  |  |
| 11 | Power of Attorney in favour of the person who will finally negotiate (if required) the contract with the owner  |                  |                   |                  |  |  |  |
| 12 | Resolution of the Board of Directors of the Company   |                  |                   |                  |  |  |  |
| 13 | Detailed particulars of the Directors and other top management including their stay with the bidder as on September 30, 2011  |                  |                   |                  |  |  |  |
| 14 | Certificate that the bidder is not in any litigation with any of its clients  |                  |                   |                  |  |  |  |

**SECTION 2**

**FORMAT FOR SUBMITTING FINANCIAL BID**

| <b>Particular</b>                                | <b>Charges</b> |
|--|----------------|
| Portfolio/ Fund Advisory Fees on Per Annum Basis |                |

**SECTION -3**

**Bid Evaluation Criterion**

**For Evaluating Bids received from interested parties for appointment as Fund /Portfolio Advisor to PSPCL General Provident Fund Trust.**

**A. Technical Evaluation Criterion for evaluating the Technical offers received from interested parties for appointment as Fund/Portfolio Advisor to PSPCL General Provident Fund.**

| <b>Sr. No.</b>                                  | <b>Criteria</b>   | <b>Maximum Score</b> |
|---|---|----------------------|
| <b>A-Company Parameters</b>                     |   |                      |
| 1   | No. of years in Capital Markets as on September 30, 2011 :<br>(I) if >or = to 7 years : 15<br>(ii) if >or =5and <7 years : 9  | 15                   |
| 2   | <b>Operational Office in.</b><br>(i)Chandigarh/Patiala : 5<br>(ii)New Delhi : 4   | 5                    |
| <b>B. Functional Experience &amp; Expertise</b> |   |                      |
| 3   | Total Assets under Formal Investment Advisory/management services as on 30.9.2011 from various retirement Benefit trusts (Provident Fund/ Gratuity/ Pension trusts):<br>(I) if > or = to Rs. 7000 Cr : 50<br>(ii)if > =Rs.4000 Cr < Rs. 7000 Cr. : 40 | 50                   |

|              |  |            |
|--------------|--|------------|
| 4            | Number Central/State/Public Sector Undertaking to whose Retirement Benefit trusts (Pension/Provident Fund/Gratuity Funds) such formal Advisory /management services are being provided as on 30.9.2011.<br><br>( I) if > or =to 5 : 20<br>( ii) if > = 3 < 5 : 14<br>( | 20         |
| 5            | Fund /Portfolio Advisory/management Team, Qualification and Experience<br>i) Three MBA (F)/CA/CWA with three years experience) :10<br>ii) Two MBA (F) /CA.CWA three year experience : 8<br>iii) If Two MBA(F)/ CA/CWA with two year Experience. : 6                    | 10         |
| <b>Total</b> |  | <b>100</b> |

**A. Financial Bid Evaluation Criterion for evaluating the Financial Bids received from interested parties for appointment as Fund /Portfolio Advisor to PSPCL Retirement Benefits Trusts.**

|   |   |                                  |
|---|---|----------------------------------|
| 1 | <b>Lowest Investment Advisory fee Per Annum</b> | 100                              |
| 2 | <b>Others</b>                                   | Percentile of the Highest Scorer |

**B. Combined Bid Evaluation Criterion for evaluating the Offers received from interested parties for appointment as Fund /Portfolio Advisor to PSPCL Retirement Benefits Trusts.**

| Sr. No. | Particulars                           | Score  |
|---------|---------------------------------------|--|
| 1       | <b>Technical Evaluation</b>           | <b>Points Scored</b>                                     |
| 2       | <b>Financial Bid Evaluation Score</b> | <b>Points Scored</b>                                     |
| 3       | <b>Combined Bid Evaluation</b>        | <b>Technical Score x 50% + Financial bid score x 50%</b> |
| 4       | <b>Ranking</b>                        | <b>Highest Scorer and so on.</b>                         |

**Punjab State Power Corporation Limited**  
(PSPCL)

To

Dy. Secretary/CSW  
**PSPCL Patiala.**

**Memo:-**

**Dated:-**

**Sub:- To upload the NIT for GPF Trust Advisory Services.**

**As per subject cited above NIT for GPF Trust Advisory may be uploaded in PSPCL Web site.**

Dy.CAO/FRP  
PSPCL Patiala

