

1. LETTER OF INVITATION



केन्द्रीय विद्यालय संगठन (मु.)
KENDRIYA VIDYALAYA SANGATHAN (HQ)
18, संस्थागत क्षेत्र/18, Institutional Area,
शहीद जीत सिंह मार्ग/Saheed Jeet Singh Marg
नई दिल्ली-110016/ New Delhi-110016.
फोन नं./Phone no. : 26858570,
वेबसाइट/Website: www.kvsangathan.nic.in

21/12/2022

To,
The Prospective Bidders.

Subject- Invitation for Request for Proposal (RFP) from the prospective Bidders for appointment of Portfolio Managers to invest and manage of Kendriya Vidyalaya Sangathan Provident Fund (PF) corpus.

Sir/ Madam,

Kendriya Vidyalaya Sangathan is an autonomous body of Ministry of Education. Kendriya Vidyalaya Sangathan invites Request for Proposal (RFP) for appointment of Portfolio Managers for its Employees Provident Fund corpus from the professional fund managers registered with Securities Exchange Board of India (SEBI) having majority shareholders from the govt./govt. owned companies/govt. owned banks.

In this context, the related prescribed terms and conditions are available in Kendriya Vidyalaya Sangathan website www.kvsangathan.nic.in and Central Public Procurement Portal (CPPP) www.eprocure.gov.in.

Applicants/ Bidders may download the Request for Proposal (RFP) from the above mentioned websites and submit the same by 11.01.2023 at 4.00(PM) to Kendriya Vidyalaya Sangathan (Room no. 001), 18 , Institutional Area Saheed Jeet Singh Marg New Delhi (110016).

All proposals will be evaluated by an Evaluation Committee constituted by the KVS and the contract shall be awarded to the successful bidder as mentioned in para - 6.6 of the RFP.

KVS reserves the right to accept or to reject all or any of the bids without assigning any reason whatsoever.

This issues with the approval of the competent authority.

Yours sincerely,

(S. N. Gulia)
Joint Commissioner (Fin.)



**REQUEST FOR PROPOSAL (RFP) 2022
FOR
Appointment of Portfolio Managers
for managing corpus of KVS Provident Fund**

Date of Issue : 21.12.2022
Deadline for submission of Proposal : 11.01.2023

**Proposal should be superscribed as
“Confidential-Proposal for Appointment of Portfolio Manager”**

To be submitted in a sealed envelope and addressed to :

**Joint Commissioner (Finance)
Kendriya Vidyalaya Sangathan (HQ)
18, Institutional Area, Shaheed Jeet Singh Marg,
New Delhi- 110016**

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GLOSSARY

BOG	Board of Governors
KVS	Kendriya VidyalayaSangathan
GOI	Government of India
PBG	Performance Bank Guarantee
PIM	Preliminary Information Memorandum
RFP	Request for Proposal
YTM	Yield to Maturity

DISCLAIMER

This document is being published in order to enable the bidder to make an offer for selection as 'Portfolio Manager(s) of Provident Fund' by the Kendriya Vidyalaya Sangathan (KVS).

This document neither constitutes nor should it be interpreted as an offer or invitation for the selection of Portfolio Managers of Provident Fund, described, herein.

This document is meant to provide information only and upon the express understanding that recipients will use it only for the purposes set out above. It does not purport to be all-inclusive or contain all the information about Portfolio Managers of Provident Fund or be the basis of any contract. No representation or warranty, expressed or implied, is or will be made as to the reliability, accuracy or the completeness of any of the information contained herein. It shall not be assumed that there shall be no deviation or change in any of the herein mentioned information on Provident Fund. While this document has been prepared in good faith, neither KVS, nor any of its officers or subscribers 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 KVS and any of its officers or subscribers even if any loss or damage is caused by any act or omission on the part of KVS or any of their officers or subscribers, whether negligent or otherwise.

By acceptance of this document, the recipient agrees that any information herewith will be superseded by any subsequent written information on the same subject made available to the recipient by or on behalf of KVS. KVS and any of their respective officers or subscribers undertake no obligation, among others, to provide the recipient with access to any additional information or to update this document or to correct any inaccuracies therein which may become apparent, and they reserve the right, at any time and without advance notice, to change the procedure for the selection of Portfolio Manager(s) of Provident Fund or any part of the interest or terminate negotiations or the due diligence process prior to the signing of any binding agreement

Accordingly, interested recipients should carry out an independent assessment and analysis of the requirements of Portfolio Managers of Provident Fund and of the information, facts and observations contained herein

This document has not been filed, registered or approved in any jurisdiction. Recipients of this document should inform themselves of and observe any applicable legal requirements.

This document constitutes no form of commitment on the part of the KVS. Furthermore, this document confers neither the right nor an expectation on any party to participate in the proposed process of selection of Portfolio Manager(s) of Provident Fund.

The KVS reserves the right to reject any or all proposals or cancel/withdraw the RFP without assigning any reason whatsoever and in such case no intending bidder shall have any claim arising out of such action. At any time prior to the deadline for submission of proposals, the KVS may modify, for any reason deemed necessary, the RFP by amendment notified and such amendments shall be binding on intending bidders.

Without prejudice to any other rights or remedies available to the KVS, Portfolio Managers may be disqualified and their proposals rejected for any reason whatsoever including those listed below:

Material misrepresentation by the bidder in the Proposal.

Failure by the bidder to provide the information required to be provided in the proposal pursuant to relevant sections of this document.

If information becomes known, after the bidder has been appointed, which would have entitled the KVS to reject or disqualify the relevant Portfolio Manager, the KVS reserves the right to reject the bidder at the time, or at any time after, such information becomes known to the KVS.

Any conviction by a Court of Law or indictment/adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage a fund.

When any proposal is submitted pursuant to this RFP, it shall be presumed by the KVS that the bidder has fully ascertained and ensured about its eligibility to act as Portfolio Manager, in the event of it being selected ultimately to act as Portfolio Manager, under the respective governing laws and regulatory regimen, and that there is no statutory or regulatory prohibition or impediment to acting as Portfolio Manager for the KVS and it has the necessary approvals and permission to act as Portfolio Manager and further suffers no disability in law or otherwise to act as such.

The Portfolio Managers failing to satisfy the eligibility and requisite qualification criteria specified herein are not eligible to have their bid considered. All proposals and accompanying documents received within the stipulated time will become the property of the KVS and will not be returned. The hardcopy version will be considered as the official proposal.

Reference to any laws/regulations/guidelines in this RFP document is applicable to laws/regulations/guidelines in India.

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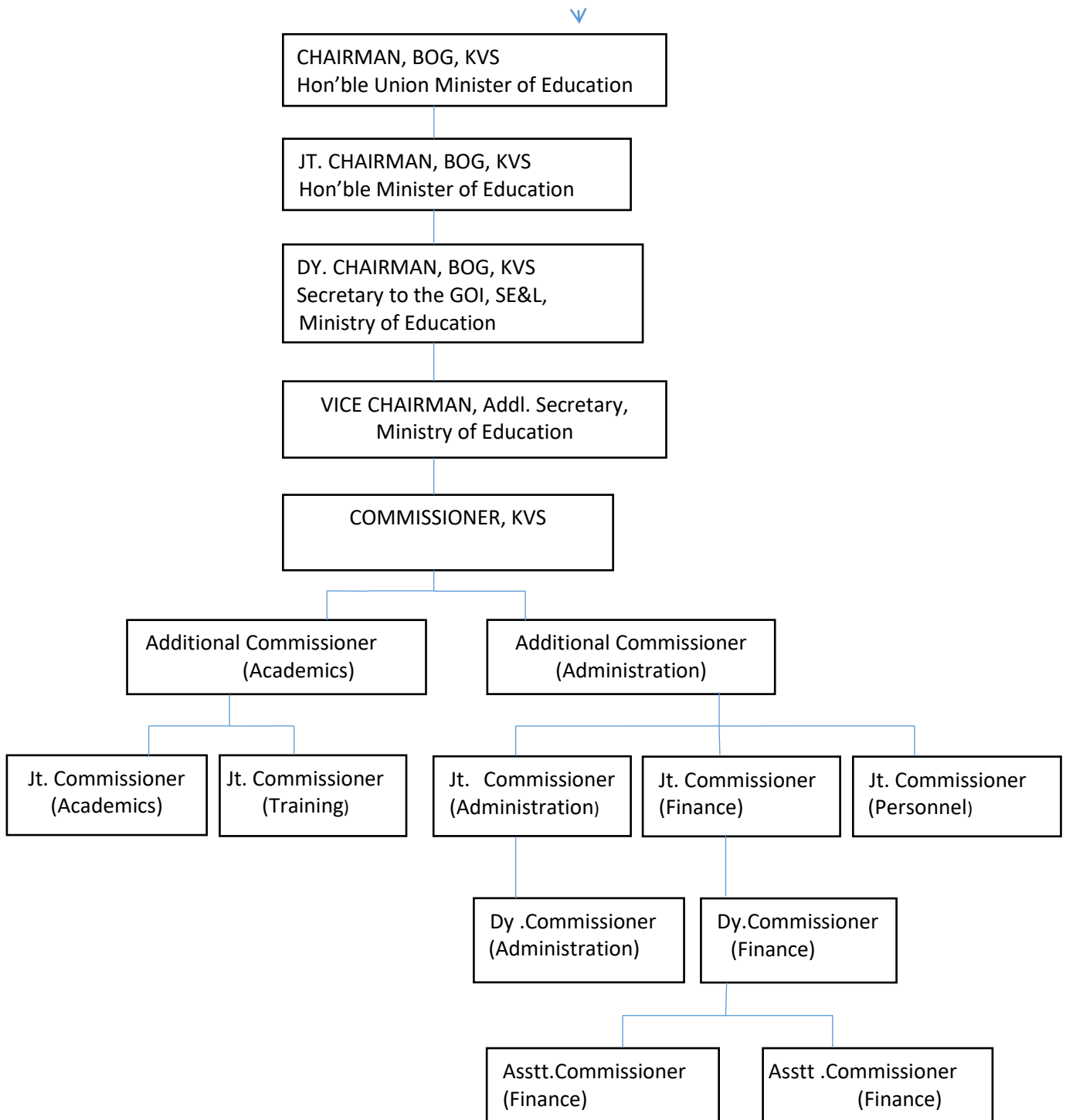
Yours sincerely,

(S. N. Gulia)
Joint Commissioner (Fin.)

2. INFORMATION TO BIDDERS

- 2.1. Kendriya Vidyalaya Sangathan was registered as a Society under the Societies Registration Act (XXI of 1860) on 15th December, 1965. Kendriya Vidyalaya Sangathan is an autonomous body under the Ministry of Education, Govt. of India. The Sangathan administers the scheme of Kendriya Vidyalaya Sangathan formulated by the Government of India in the Ministry of Education. It has a three tier management structure with Headquarters at New Delhi, Regional Offices to manage a cluster of schools and Kendriya Vidyalayas spread all over the country .
- 2.2. The Kendriya Vidyalaya Sangathan has to invest the Employees Provident Fund as per approved Investment Policy of the 'Govt. of India'. Ministry of Finance notification dated 2nd March, 2015(as amended time to time). The corpus of Provident Fund as on 31st March, 2022 is about Rs.3000 crore.
- 2.3 KVS proposes to appoint competent professional Fund Managers registered with Securities Exchange Board of India (SEBI) where majority shareholding is that of Govt./Govt. owned companies/Govt. owned Banks to manage Portfolio of Provident Fund assets of KVS.
- 2.4 Proposal received in response to this RFP will be evaluated in terms and conditions laid herein and the entity (s) is/are thus selected as Portfolio Manager of Provident fund will be required to manage the assets of KVS employees as per the investment policy as explained in this RFP.

2.4. The organisational structure of KVS is as follows:



3. TERMS OF REFERENCE

- 3.1. The employees of Kendriya Vidyalaya Sangathan are covered by the benefits available under the Provident Fund and Contributory Provident Fund. Kendriya Vidyalaya Employees Provident Fund constituted thereunder is vested in and managed by the Sangathan in accordance with the Rules Mutatis Mutandis of General Provident Fund (Central Services) Rules 1960 and Contributory Provident Fund Rules (India) 1962, as amended from time to time.
- 3.2. The Board of Governors of Kendriya Vidyalaya Sangathan in its 90th Meeting held on 30.08.2011 approved the appointment of State Bank of India as Portfolio Fund Manager for investment of surplus amount of Employees Provident Fund of Kendriya Vidyalaya Sangathan for one year on experimental basis and extendable upto two more years subject to their performance. Accordingly, Kendriya Vidyalaya Sangathan appointed State Bank of India as Portfolio Fund manager (PFM) with effect from 16.12.2011 for a period of one year and in view of their satisfactory performance, the period was extended upto 15.12.2014. Later with the recommendation of Finance Committee Meeting held on 01.07.2014, the contract with SBI Global Market Corporate Centre, Mumbai as Portfolio Manager was renewed for three years with effect from 16.12.2014 to 15.12.2017 which has been extended with the approval of BOG upto 31st March 2018.
- 3.3. As advised by the RBI, to shift the PMS activity of the bank, to subsidiary or other Fund Manager by 31st March, 2019, State Bank of India has requested for shifting of Portfolio from SBI latest by 31st December 2018. Thereafter State Bank of India Fund Management Ltd. was appointed as Portfolio Manager after following the due procedure. This RFP is issued for appointment of Portfolio Manager(s) of KVS Provident Fund initially for one year from 1st April 2023. The terms of contract is further extendable upto four years subject to the satisfactory performance of Portfolio Managers(s). KVS corpus of the Provident fund is about Rs. 3000 crore as on 31st March, 2022. The Sangathan has to invest the Provident Fund as per approved Investment Policy of the 'Govt. of India'. Ministry of Finance notification dated 2nd March, 2015 (as amended from time to time).
- 3.4. KVS proposes to appoint competent Professional fund managers registered with Securities Exchange Board of India (SEBI) where majority shareholding is that of govt./govt. owned companies/ govt. owned banks to manage Portfolio of Provident Fund Assets of KVS. The investment will be done as per the Ministry of Finance guidelines on investment dated 02.03.2015 (as amended from time to time). Majority shareholding means where more than 50 % (fifty percent) of the total subscribed share capital of the Comapany/Bank/Entity is held singly or jointly by govt./govt. owned companies/govt. owned banks.

- 3.5. Proposals received in response to this RFP will be evaluated in terms of the conditions laid out herein and the entity(s) which is/are thus selected as Portfolio Managers of Provident Fund by KVS will be required to manage the Provident Fund assets of KVS employees. Selected Portfolio Manager(s) of Provident Fund will be required to meet the specifications laid out in the PIM document and in this RFP, Portfolio Managers of Provident Fund will be required to perform functions as detailed herein.

4. DUTIES AND RESPONSIBILITIES OF THE PORTFOLIO MANAGER

The Portfolio Manager, while executing its role of managing the KVS corpus must:

- 4.1. Ensure that the dedicated Fund Manager(s) (preferably) appointed to manage the KVS corpus should have been managing portfolio on a continuous basis during the preceding five (5) years, as on the date of appointment.
- 4.2. Ensure, to the best possible extent, the Fund Manager(s) appointed to manage the KVS corpus should continue in their role till the completion of the assignment. For any reason, if there is a proposed change in the Fund Manager(s) appointed to manage the KVS corpus, the same should be intimated to the KVS immediately. The new Fund Manager(s) to be appointed to manage the KVS corpus should have relevant experience as stipulated in 4.1.
- 4.3. Invest the corpus in accordance with the pattern of investment as prescribed by the Ministry of Finance, Dept. of Financial Service vide notification dated 02.03.2015 (as amended from time to time) effective from 01.04.2015, the guidelines issued by the KVS from time to time and the Agreement between the Portfolio Manager and the KVS;
- 4.4. Maximize the return on the KVS corpus without breaching any of the restrictions mentioned in Section 4.3.
- 4.5. Be responsible on a continuous basis for the management of the KVS corpus allocated to it;
- 4.6. Maintain books and records about the operation and the status of the Fund, and submit reports on the performance of the Fund to the KVS at such intervals and in such manner as may be required or called for by the KVS;

- 4.7. Take all reasonable steps and exercise due diligence to ensure that the investment of the corpus is not contrary to the provisions of the specified investment pattern laid down by the Dept. of Financial Service vide notification dated 02.03.2015 (as amended time to time) effective from 01.04.2015 and the Agreement between the Portfolio Manager and the KVS;
- 4.8. Exercise due diligence and care in all its decisions on investment management and operations which is in the best interest of the KVS's subscribers;
- 4.9. Be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the Portfolio Manager
- 4.10. Securities shall be purchased by 'Portfolio Manager(s) of Provident Fund' on behalf of, and in the name of the KVS. The KVS shall be the registered owners of these securities and funds. However, individual Provident Fund subscribers shall remain beneficial owners of these assets and funds.
- 4.11 Portfolio Manager(s) of Provident Fund' shall be responsible for the day-to-day management of the Fund
- 4.12. 'Portfolio Manager(s) of Provident Fund' shall exercise all due diligence and vigilance in carrying out its duties and in protecting the rights and interests of the subscribers
- 4.13. 'Portfolio Manager(s) of Provident Fund' shall furnish periodic reports specified by the KVS as well as such information and documents as may be required by the KVS, from time to time. 'Portfolio Manager(s) of Provident Fund' shall submit to the KVS monthly reports of the year (or for such duration or time that the KVS may specify from time to time) on its activities and compliance with KVS guidelines/directions.
- 4.14. Portfolio Manager(s) of Provident Fund while investing under the sub-categories mentioned under Ministry of Finance notification dated 02.03.2015 shall ensure the compliance of the provisions/norms related to credit rating of securities invariably as mentioned in aforesaid notification dated 02.03.2015.
- 4.15. 'Portfolio Manager(s) of Provident Fund' shall be expected to comply with the disclosure requirements and the code of conduct specified by Ministry of Finance/KVS from time to time.
- 4.16. The ownership rights and all other rights relating to ownership of all the records, data, statistical returns and information whether in electronic form, or physical form or in any

other form obtained collected and/or required to be maintained by the 'Portfolio Manager(s) of Provident Fund' shall vest in the KVS. No person other than the KVS shall have any ownership rights or any other rights over any data or information in the possession of the 'Portfolio Managers of Provident Fund'. 'Portfolio Manager(s) of Provident Fund' or any other appointed agency or person shall neither have any right over such records/data/information nor use it at any stage for commercial purpose(s). 'Portfolio Manager(s) of Provident Fund' will not, without the prior permission of KVS, produce / share such data or information as evidence or for any other purpose except as required by the due process of law. It shall be the responsibility and duty of the 'Portfolio Manager(s) of Provident Fund' to maintain absolute confidentiality of such records/data/information and to produce these as and when called for by the KVS

4.17. The 'Portfolio Manager(s) of Provident Fund' would need to maintain books and records about the investments of the Fund to ensure compliance with the guidelines, and submit regular reports on the functioning of Provident Fund' to the subscriber or at such intervals and in such manner as may be required or called for by the KVS.

4.18. Not utilise the services of the sponsor or any of its associates or its associate brokers, employees or their relatives (or the services of the sponsor of any other Portfolio Manager appointed by the KVS, or any of their associates or its associate brokers, employees or their relatives), for the purpose of any securities transaction, distribution, and sale of securities in secondary market. However, investments can be made in primary market issuances in which the sponsor or any of its associates or its associate brokers is one of the Lead Managers, provided there is consensus with all other selected portfolio managers to invest in that issuance and the Portfolio Manager(whose sponsor or any of its associates or its associate brokers is one of the Lead Managers) does not subscribe to more than 50% of the issue size. For the purpose of this sub – section, —associate includes a person,—(i) who directly or indirectly, by himself, or in combination with relatives, exercises control over the Portfolio Manager or (ii) in respect of whom the Portfolio Manager, directly or indirectly, by itself, or in combination with other persons exercises a control, or (iii) whose director, officer or employee is a whole time director, officer or employee of the Portfolio Manager. After the appointment of the Portfolio Managers by the KVS, the Portfolio Manager will have to submit a detailed list of its associates etc.to KVS.

4.19. Submit a quarterly certificate from a statutory auditor, appointed by the Portfolio Managers,for compliance of the afore mentioned section.

4.20. Submit a monthly/quarterly report to the KVS giving details and adequate justification about the purchases and sales of securities, part of the KVS corpus, of the subsidiaries

of the Portfolio Manager (as defined under section 2, clause 87 of the Companies Act 2013) or the holding company of the Portfolio Manager (as defined under section 2, clause (46) of the Companies Act 2013) or the associate companies of the Portfolio Manager (as defined under section 2, clause (6) of the Companies Act 2013).(as amended time to time).

- 4.21. Ensure that the above duties and responsibilities are adhered to at all points of time. If there is a breach in any duties and responsibilities, the Portfolio Manager should rectify the same within 30 days of the KVS communicating it to the Portfolio Manager in writing. Failure to do the same would result in a penalty of 0.004% of the corpus being managed by the Portfolio Manager. For this purpose, the corpus as on the last day of the previous month to the month in which breach has taken place would be considered. Further, KVS also reserves the right to terminate the Agreement in case of breach of any of the above duties and responsibilities, after giving notice of **sixty calendar days to the Portfolio Manager.**
- 4.22. It shall be the responsibility of the 'Portfolio Manager(s) of Provident Fund' in carrying out its responsibilities to maintain arms' length relationship with other companies or institutions or financial intermediaries or anybody corporate with which the 'Portfolio Manager(s) of Provident Fund' may be associated.
- 4.23. Where the 'Portfolio Manager(s) of Provident Fund' has reason to believe that the conduct of business of the Fund is not in accordance with the Ministry of Finance Guidelines they shall forthwith take such remedial steps as are necessary by them and shall immediately inform KVS of the violation and the action taken by them
- 4.24. The 'Portfolio Manager(s) of Provident Fund' shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Ministry of Finance/ KVS.
- 4.25. The 'Portfolio Manager(s) of Provident Fund' shall be responsible for the calculation of any income due to be paid to the Fund and also of any income received in the Fund for the subscribers in accordance with the KVS Guidelines and the Ministry of Finance.
- 4.26. The 'Portfolio Manager(s) of Provident Fund' shall on a monthly basis review all transactions carried out between the 'Portfolio Manager(s) of Provident Fund' and its associates and submit the report to KVS.

- 4.27. The 'Portfolio Manager(s) of Provident Fund' shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the subscribers.
- 4.28. The Portfolio Managers shall:-
- (i) Submit to KVS internal audit reports at regular intervals from independent auditors appointed by the 'Portfolio Manager(s) of Provident Fund'.
 - (ii) Submit to KVS, the compliance Certificate at regular intervals.
 - (iii) hold meetings with KVS as per requirements of KVS, and also have the records and decisions of the meeting for rectification of deficiencies, if any, pointed out by KVS.
- 4.29. The bidders will also have to sign a pre-bid integrity pact as per the provisions of para 2.3 of the Manual for Procurement of Consultancy and other services, 2017 in the enclosed format.

4.3. Custodial Services

The 'Portfolio Manager(s) of Provident Fund' will provide custodial service either themselves or from other agencies. The organisation/agencies providing custodial services should be SEBI registered custodial where (preferably) the majority share holding is that of Govt./Govt owned companies/Govt. owned Banks. The duties and responsibilities of custodial services have to be ensured by the Portfolio Managers for which distinct and separate charges will be depicted by the Portfolio Managers. The Portfolio Managers will also give the complete details of custodian for securities of the Kendriya Vidyalaya Sangathan managed by the Portfolio Managers.

The brief duties and responsibilities of custodian are mentioned below:

- 4.3.1. To collect and receive any income and other payments and distributions made by the issuer of Securities, for the account of the KVS.
- 4.3.2. To take all/any action necessary and proper in connection with the receipt of income and other payments and distributions referred above, including but not limited to the presentation of coupons and other interest items.
- 4.3.3. To receive and hold for the account of the KVS all/any moneys arising out of or in connection with the Property' whether as a result of it being called or redeemed or otherwise becoming payable and credit the same to the Saving Account of KVS. (* Property means any security, cash and/or any other property belonging to the KVS.)

- 4.3.4. To take all/any action necessary and proper in connection with the receipt of the monies referred above, including but not limited to the presentation for payment of any Property becoming payable as a result of being called or redeemed or otherwise becoming payable and the endorsement for collation of cheques, drafts and other negotiable instruments.
- 4.3.5. To receive and hold for the account of the KVS, the Securities received by the Custodian as a result of reorganization, consolidations, conversions, capitalization of reserves, and such other corporate action with respect to any Securities held by it hereunder.
- 4.3.6. To exchange interim or temporary receipts for definitive Securities, and old or over stamped certificates for new certificates.
- 4.3.7. To deliver Property which has been sold after confirmation from KVS and/or make payment for, and receive Property purchased on behalf of KVS, provided however that the Custodian will deliver Property only after receipt of payment for sale transitions and/or make payment only after receipt of Property for purchase transitions unless instructed to the contrary or is required by prevailing rules, operating procedures and regulations on any relevant stock exchange, clearance system, depository to do other wise but with a simultaneous imitation to the KVS.
- 4.3.8. To deal with rights, or public issues, warrants and other similar interests offered or received by the Custodian.
- 4.3.9. To deliver such Securities to the issuer thereof or its agent when Securities are called, redeemed, cancelled, retrieved or otherwise become payable and to receive payment thereof.
- 4.3.10. To deliver such Securities for exchange for a different number of Securities or certificates representing the same aggregate face value; or conversion pursuant to any plan of merger, consolidation, recapitalization, reorganization or readjustment of the Securities by the issuer of such Securities or any other such corporate action by the issuer of the security; or pursuant to provision for conversion contained in such Securities; Provided that, in any such case, the new Securities and cash, if any, are to be delivered back to the account of KVS;
- 4.3.11. To surrender/exercise warrants, rights or similar Securities and receive back the delivery of new Securities except as provided herein, to deliver or dispose of the Property only as may be specified by Instructions and supported by confirmation from KVS.

4.3.12. To transfer the securities/deliver the securities to KVS or other Portfolio Manager(s) in 30 days in the event of cessation of contract, without any cost to KVS except the statutory duties and taxes (if any).

4.4. Payment

Except as may be otherwise provided specified in this document, the Custodian shall make, or cause its agent to make, payments from the Saving Account only on specific instructions.

4.4.1. For the purchase of Securities on the account of the KVS and crediting of the Securities to the Custody Account(s)/Depository Account(s) of the KVS

4.4.2. For payments to be made in connection with the conversion, exchange or surrender of Securities held in the Custody Account.

4.4.3. Other Services to be provided by the Custodian.

4.4.4. The Custodian shall arrange on written request by the KVS for registration of Securities with the issuer or its agent in the name of KVS, provided such registration is permissible under prevailing laws.

4.4.5. The Custodian shall furnish to the KVS a monthly statement of cash and statement of Securities held by it in a mutually agreed format. Such submission shall be made before the close of the next working day of the month for monthly statements. It shall be obligatory for the Custodian to provide all information reports or any explanations sought by the KVS, at such frequency and in such formats as mutually agreed. It shall also be obligatory for the Custodian to provide other additional statements or reports to the Auditor of the KVS for the purpose of audit and for physical verifications and reconciliation of Securities belonging to the KVS, such information as may be requested, so long as the necessary information is available with the Custodian.

4.4.6. The Custodian should have a system which can generate consolidated MIS reports as required by KVS, including reports on all eligible securities as mentioned in point 6 of section is flexible to provide any new reports as required by KVS at any point of time.

4.4.7. Has scalability to handle large volumes.

4.4.8. The Custodian should be capable of providing reports as per requirements of KVS, without any cost to KVS.

- 4.4.9. The Custodian may create operating procedures, with KVS concurrence, which shall govern the day to day operations of the Custody Account and the Saving Account. Such operating procedures, may be amended from time to time by mutual consent between the Portfolio Manager(s)/Custodian and the KVS.
- 4.4.10. The KVS reserves the right to call for information and exercise such other rights which are conferred upon under this document, by giving an intimation to the Custodian to that effect.
- 4.4.11. The Custodian shall allow the KVS withdrawal of all or any part of the securities in the Custody Account and/or the Saving Account.
- 4.4.12. Delivery of any Securities other than cash shall be made within reasonable time at such locations as the parties hereto may agree.
- 4.4.13. The Custodian shall arrange an adequate insurance cover for the entire Securities belonging to the KVS, the details of which shall be submitted to the KVS.
- 4.4.14. Check the Credit ratings of the Investments on a daily basis and report any downgrades or negative watch/outlook immediately.
- 4.4.15. The Custodian shall be responsible for following up with the issuers of securities for any default in payment of interest and/or maturity proceeds. If any legal proceeding is to be initiated, the custodian would take all necessary legal actions in consultation with KVS and the cost thereon would be borne by KVS.
- 4.4.16. If appointed as Custodian of Securities for the KVS's corpus, KVS may at its discretion audit the Custodian's compliance with the terms of agreement with KVS through an external agency, for which the Custodian is required to provide the necessary support.

5. QUALIFICATION AND EXPERIENCE OF THE BIDDER

The pre-qualification criteria for selection of portfolio manager based on the supporting documents mentioned under Section 7 are as follow:

S. No	Criteria
1	<p>The Portfolio Manager must have</p> <p>i) At least three (3) years of experience in Fund Management (excluding fund under advisory and owned fund) as on 31stMarch, 2022.</p> <p>ii) Assets under management must not be less than Rs.3000 crore (excluding fund under advisory and owned fund)</p>

2	The Portfolio Manager must be duly registered with RBI or SEBI, and must be registered with SEBI to carry portfolio management service (PMS) activity and where majority share-holding is of government/government owned companies/Govt. owned Banks.
3	The Portfolio Manager/its subsidiaries/its holding company/its associate companies should not have been barred or suspended by any regulator or government authority or court of law in India from carrying out capital market related activities on or after 01st April,2013 .
4	The Portfolio Manager/its subsidiaries/its holding company/its associate companies are not in violation of any applicable law or judgment by any court of law or government authority in India which violations, individually or in the aggregate, would affect their performance of any obligations under this assignment.
5	There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or (to the best knowledge of the Portfolio Manager) threatened against the Portfolio Manager/its subsidiaries/its holding company/its associate companies which, if adversely determined, could reasonably be expected to have a material adverse effect on the Portfolio Managers ability to perform the obligations under this assignment. In case any investigation is pending against the Portfolio Manager/its subsidiaries/its holding company/its associate companies, full details of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the KVS. KVS reserves the right to reject or disqualify the relevant Portfolio Manager based on the information provided above.
6	The Directors and key personnel of the Portfolio Manager shall be persons with adequate professional experience in the financial services industry and not found guilty of moral turpitude or convicted of any economic offence or violation of any financial sector laws.
7	The Portfolio Manager shall forthwith inform the KVS of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.
8	The Portfolio Manager shall undertake to comply with all the extant KVS guidelines/directions.

Note: *The definitions of subsidiaries, holding company and associate companies of the Portfolio Manager are as follows*

Subsidiaries : as defined under section 2, clause (87) of the Companies Act 2013
Holding company : as defined under section 2, clause (46) of the Companies Act 2013
Associate companies : as defined under section 2, clause (6) of the Companies Act 2013

5.2. Technical evaluation parameters

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

5.2.1 Technical (Quantitative & Qualitative) criteria

S.No.	Parameters	Measurement Criteria	Weight (%)
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1	Experience of Fund Management *	Number of years of past experience	
	Fixed Income/Debt Fund *(excluding fund under advisory and owned fund)		10
2	Asset under Management	Assets Manager as at the end of each year in Crore, from March 2018 to March 2022	40
3	Yield to Maturity	The simple average YTM for the non-owned fund expressed in percentage from March,2018 to March, 2022	40
4	No. of members in the Fund management team (including fund managers, analysts &dealers)	For the past three (3) years (Year ending March 2020, 2021 & 2022)	10
		TOTAL	100% *

***Final score of technical bid shall be normalised to 70% at the time of final evaluation.**

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

5.3. Qualitative information requirement

5.3.1. The following qualitative information is required to be submitted:

Company/ group companies

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

5.3.3. Organization chart - with names and responsibilities

5.3.4. A copy of necessary approval/certification for undertaking activities indicated in this RFP from the concerned regulators.

5.4. Write-up / Profile including

1. Current reporting structure for the investment team, Fund manager's educational - qualifications, funds management experience, current job responsibilities, details of the current funds/portfolios managed by the fund managers and their performance, tenure spent with organization, previous employer and job responsibility (if any). Profile of the fund manager who is expected to be appointed to manage the 'Portfolio Manager(s) of Provident Fund.

2. Current reporting structure for the research team Research member's educational qualifications, investment research experience, current job responsibilities, tenure spent with organization, previous employer and job responsibility (if any). Role of research expected in the 'Portfolio Manager(s) of Provident Fund.
3. Risk management team members' educational qualifications, risk management experience, job responsibilities, reporting structure, tenure spent with organization, independence, previous employer and job responsibility (if any).
4. Profile of the Compliance/ legal team, duties and responsibilities in legal & compliance risk reporting and other functions discharged by them.
5. Investment policy document and investment process flow document.
6. Employee turnover ratio (last 5 years).
7. Technology platforms, dedicated system support team, backup processes, disaster
8. recovery system and copy of system audit report.
9. Operations manual.
10. Risk Management Manuals.
11. Security valuation practice/policy.
12. System and process for determining counter party limits.
13. Systems and processes for monitoring legal and compliance risk
14. Investment research (enclose the latest report)
15. Management Information System report for top management (enclose latest MIS report)
16. Risk Management (enclose the latest report)
17. Maximum number of days for which the funds would remain un deployed if selected as a 'Portfolio Manager(s) of Provident Fund.
18. The bidder is requested to clearly indicate whether the fund management team would be exclusively available for the Provident Fund investment or

will they also be responsible for managing other portfolios. If the team is responsible for managing other portfolios, the bidder is requested to indicate how it will mitigate the conflict of interest, if any.

19. Any other information that the bidder thinks would be worth mentioning in the proposal

5.5. Evaluation & Scoring Process (Please note that the numbers used in this section are for illustrative purpose only)

Technical bid evaluation

	Experience of Fund Management (No. of months)	Asset under Management (Rs. in crore) (average of 5 years)	Yield to Maturity (in %) (average of 5 years)	No. of team members (average of 3 years)
	Fixed Income/debt Fund			
Parametric Weights (%)	10	40	40	10
Applicant 1	36	17000	8.9	36
Applicant 2	48	10000	8.5	48
Applicant 3	36	6000	8	36
Applicant 4	Nil	50000	8.2	Nil
Applicant 5	60	9000	9.1	60
Maximum	60	50000	9.1	60
Basis for evaluation	Maximum	Maximum	Maximum	Maximum

Scores for Technical Bid-

	Experience of Fund Management (No. of months)	Asset under Management (Rs. In crores)	Yield to Maturity (in %)	No. of team members	Total	Final Score
Parametric Weights (%)	10	40	40	10	100	
Applicant 1	0.60	0.34	0.98	0.60	0.648	0.96
Applicant 2	0.80	0.20	0.93	0.80	0.612	0.91
Applicant 3	0.60	0.12	0.88	0.60	0.52	0.77
Applicant 4	Nil	1.00	0.90	Nil	NA	NA
Applicant 5	1.00	0.18	1.00	1.00	0.672	1
Basis for evaluation	Maximum	Maximum	Maximum	Maximum	**	Maximum

****Working for Applicant 1(F) = (10%*0.60+40%*0.34+40%*0.98+10%*0.60= 0.648)**

Overall evaluation

(For Overall Evaluation Scoring)

	Financial Bid	Final Score of Financial Bid	Final Score of Technical Bid	Overall Score (parametric weight*score of technical bid+ Final Score of Financial Bid)	Final Ranking
Parametric Weights (%)		30%	70%		
Applicant 1	0.0065	0.94	0.96	0.954	II
Applicant 2	0.0061	1.0	0.91	0.937	III
Applicant 3	0.0069	0.88	0.77	0.803	IV
Applicant 4	Nil	Nil	NA	NA	NA
Applicant 5	0.0067	0.91	1	0.973	I
Basis for evaluation		Minimum	Maximum	Maximum	

Note: In the event of two or more bids have same score in final ranking, the bids with highest technical score will be H-I.

6. CRITERIA FOR PROPOSAL EVALUATION AND SELECTION PROCEDURE

The Portfolio Managers selection process will include the following steps:

6.1. Bidders are required to submit a Demand Draft for Rs.1,00,000/- (Rupees One Lakh only) in favour of —KVS EPF Account payable at —New Delhi as earnest money along with the RFP proposal which will be refunded to the non-successful applicant.

6.2. Submission of Pre-qualification, Technical and Financial bids.

The Bidder may respond to the RFP by submitting the required Technical and Financial bids to the KVS as detailed in Section 7 and 8. The authorized representative of the Applicants may be present at the time of opening of the Technical and Financial bids. The Applicant must submit a sealed envelope consisting of two (2) copies of all the bid documents including 2 soft copies on Pen drives. The Technical and Financial bids should be submitted in separate sealed envelopes and each envelope should be boldly super scribed as —Technical bid and —Financial bid respectively. The Bidder's name and address must be mentioned on the right hand side of Technical and Financial bid envelopes. These envelopes must be inserted in a sealed envelope and should be super scribed as —Confidential - Proposal for Appointment of Portfolio Manager(s), along with the Applicant's name, address and the name of the two authorized representatives with their contact/ phone number on the right hand side of the sealed envelope. There must be an index at the beginning of the proposal detailing the summary of

all information contained in the proposal. All pages of the proposal must be serially numbered.

6.3. The currency of the Financial bid proposal and payments must be in Indian Rupees only. The proposals must either be hand delivered or mailed through registered post or courier. The KVS will not accept delivery of proposals by fax or e-mail. Proposals received in such manner will be treated as invalid and rejected.

6.4 The KVS will open and evaluate the contents of the documents received in consultation with the consultant (if required), to ascertain that all documents/information requirements are provided in the format and the manner specified. In the KVS's opinion, if any document is not in the specified format, it may, at its discretion, seek a fresh submission of such documents. The Applicant must make this submission within the stipulated time frame. The Applicant is allowed to withdraw his bid documents till the prescribed final date for submission of proposals and will not be allowed to resubmit the bid thereafter. Once the bid documents are submitted, modifications and substitutions in the bid documents will not be allowed.

6.5 KVS will evaluate the technical bid & financial bid submitted by the eligible bidders. KVS may seek clarifications from the bidders and the bidders are expected to respond/provide the information/clarifications within the stipulated time.

While the evaluation will be done based on the information provided by the criteria prescribed by the KVS. KVS may seek additional information/clarifications from the bidders. KVS will provide reasonable time to the bidders for providing additional information/clarifications. The failure to provide the information may lead to disqualification of the bidder

6.6. DETERMINATION OF SUCCESSFUL BIDDER(S)

6.6.1. In determination of the best value bid, the following weight will be given for the Technical and Financial bid.

Technical bid score: 70%

Financial bid score : 30%

6.6.2. All the proposals will be reviewed by a Designated Committee constituted by the KVS. The KVS designated committee may seek oral or written clarifications from the bidders. The bidders must respond/provide the information/clarifications within the stipulated time. Failure to provide the information may lead to disqualification of the bidder.

6.6.3. The proposals shall be valid for a period of Six (6) months from the date of opening of the proposals.

6.7. The KVS may finalise multiple Portfolio Managers (if required).

6.8. The KVS will finalise the Portfolio Managers based on the evaluation criteria as prescribed in the RFP. The KVS also reserves the right to call for a re-bid if, in its opinion, the bids received are not reasonable.

6.9 The Bidder is expected to examine all instructions, forms, terms, KVS's requirements and other information in the RFP documents. Failure to furnish all information required by the RFP documents or submission of a proposal not substantially responsive to the RFP documents in every aspect would be at the Bidder's risk and may result in rejection of its proposal/bid.

6.10 KEY ACTIVITIES AND DATES

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

S.No.	Key Activities	Due Date*
1	Publish date	21.12.2022
2	Document download /Sale start date	21.12.2022
3	Document download /Sale end date	11.01.2023
4	Last date for submitting Proposal (4.00 PM)	11.01.2023
5	Bid submission end date	11.01.2023
6	Bid opening for the eligible Applicants	12.01.2023
7	Selected Portfolio Manager(s) to be ready in all respects to manage allocated funds.	Within 15 days from the receipt of this office letter

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

6.11 VENUE AND DEADLINE FOR SUBMISSION OF PROPOSAL

Proposals should reach KVS at the following address:-

Tender for PMS

The Joint Commissioner (Fin.)

Kendriya Vidyalaya Sangathan (H.Q),

(Room No. 001) 18, Institutional Area ,

Shaheed Jeet Singh Marg , Delhi- 110016.

6.12 LATE BIDS

Any proposal received by the KVS after the deadline for submission of proposal prescribed in Section 2.4 of the RFP shall be summarily rejected and returned unopened to the bidder

7. FORMAT OF TECHNICAL BID

7.1. Documents comprising the proposal

The proposal submitted by the Applicant shall comprise the following documents

- a. . Technical bid including all the information,as laid down in RFP, duly filled in along with all attachments/schedules duly completed and with a covering letter, as per the format defined ,signed by the authorized representative of the Applicant.
- b. The Applicant's Financial bid,as per the format defined, along with a covering letter, as per the format defined, signed by the authorized representative of the Applicant.
- c. Any deviations from the requirements of the RFP must be included as a separate statement as per the format defined.
- d. Any other information that is to be submitted during the course of the proposal process.
- e. There must be an index at the beginning of the proposal detailing the summary of all information contained in the proposal.All pages in the proposal must be serially numbered.

7.2. Format for Bid Evaluation Criteria

- a. At least three (3) years of experience in fund management (being management of funds which do not include management of own funds) as on date of RFP;

Sr.No.	Particular	Details	Supporting document	Remarks,	Annexure No.
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			submitted (mandatory)	if any	
	No. of years of experience				

- b. Name, inception date and Assets under management (AUM).

Assets under management (AUM) under debt funds as on 01 April, 2022, must not be less than Rs.3000 Crore. For the AUM purposes, **funds under advisory / owned should not be included.**

Sr.No.	Name of fund	Type of fund	Inception date	AUM AS ON 01 April, 2022	Supporting Documents (mandatory) (Annexure No.)

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

Sr.No.	Description of supporting documents submitted(mandatory)	Remark, if any	Annexure No.

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

Sr.No.	Description of supporting documents submitted (mandatory)	Remark, if any	Annexure No.

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

Sr.No.	Description of supporting documents submitted (mandatory)	Remark, if any	Annexure No.

- f. An affidavit by the Chief Executive Officer or Managing Director or equivalent of the Portfolio Manager and duly notarized by a public notary, confirming that there are no

legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or (to the best knowledge of the Portfolio Manager) threatened against the Portfolio Manager/its subsidiaries/its holding company/its associate companies which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under this assignment. In case any investigation is pending against the Portfolio Manager/its subsidiaries/its holding company/its associate companies, full details of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be provided.

Sr.No.	Description of supporting documents submitted (mandatory)	Remark, if any	Annexure No.

- g. An Undertaking from the Chief Executive Officer or Managing Director or equivalent official of the Portfolio Manager certifying that the Directors and key personnel of the Portfolio Manager are persons with adequate professional experience in the financial services industry and not guilty of moral turpitude or convicted of any economic offence or violation of any financial sector laws.

Sr.No.	Description of supporting documents submitted (mandatory)	Remark, if any	Annexure No.

- h. An Undertaking from the Chief Executive Officer or Managing Director or equivalent official of the Portfolio Manager certifying that the Portfolio Manager shall forthwith inform the KVS of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.

Sr.No.	Description of supporting documents submitted (mandatory)	Remark, if any	Annexure No.

- i. An Undertaking from the Chief Executive Officer or Managing Director or equivalent official of the Portfolio Manager certifying that the Portfolio Manager shall comply with all the extant KVS guidelines/directions.

Additional Information:

- 1.Names of Directors of the Applicant:
- 2.Shareholding pattern of the promoters:

3.Name and Designation of Authorised Representative:

4.Profitability - PAT Growth (latest 3 years)

5.Applicant details:

Nature of business/ Products or services offered by the Applicant(s):

- Date of incorporation:
- Date of commencement of business:
- Full address including telephone Nos./Fax Nos.:
- Registered Office Address:
- Address for communication:

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

7.3. Experience in fund management.

Experience in number of months and the details such as Name of the third parties for whom the Fixed income funds/debt funds are being managed.

Sr.No.	Number of months of experience in managing fixed income/ debt fund and related investment / Govt. Securities and related investment.(excluding owned fund)	Description of supporting documents submitted (mandatory) (Annexure No.)
	Number of months-Total	

****Note:-**Experience less than 3 years will not be considered.

a. Ownership Structure & Share holding pattern

Name of the organisation	Total subscribed share capital (Amount in Rs.)	Total subscribed share capital held by all the Govt./Govt. owned Companies/ Govt. owned Banks (Amount in Rs.)	Percentage of share holding of all Govt./Govt. owned companies/Govt. owned Banks.	Description of supporting documents (mandatory to be submitted) (Annexure No.)

b. Assets under Management

Total assets managed under Portfolio (excluding fund under advisory/ owned) for all Fixed income/debt portfolios for 5 financial years (ending from 31 March, 2018 to 31 March, 2022)

Year ending dates	Average Assets under Management(including guaranteed return) (excluding return on owned and advisory fund) (Rupees in Crore)

	Portfolio 1	Portfolio 2	Portfolio ...n	Total of Portfolio (Rs. in crore)	Description of supporting documents (mandatory to be submitted) (Annexure No.)
31-Mar-18					
31-Mar-19					
31-Mar-20					
31-Mar-21					
31-Mar-22					
Total					
Average of 5 years					

7.4. Yield to Maturity

Asset weighted yield to maturity (YTM) for all portfolios expressed in percentage on year end from 31 March, 2018 to 31 March, 2022 in respect of fixed income and debt fund. (excluding yield on owned and advisory fund)

Year end dates	Yield to Maturity (including guaranteed return) (in %) (excluding return on owned and advisory fund)							Description of documents attached (mandatory to be submitted) (Annexure No.)
	Portfolio 1		Portfolio 2		Portfolio ...n		Total of yield to maturity (in %age)	
	Amount (in Rs.)	Rate in %age	Amount (in Rs.)	Rate in %age	Amount (in Rs.)	Rate in %age		
31-Mar-18								
31-Mar-19								
31-Mar-20								
31-Mar-21								
31-Mar-22								
Total								
Average of 5 years								

a. Number of team members

The number of team members of the entire organisation dealing with fund management including Investment & Fund Managers, Analysts & Dealers for the past three years with effect from Financial year 2019-20, 2020-21 & 2021-22. The average of last three financial years will be taken for the purpose of evaluation.

Sr.No.	Year end dates	No. of team members	Description of supporting documents (mandatory to be submitted)	Annexure No.
1.	31-Mar-20			
2.	31-Mar-21			
3.	31-Mar-22			
	Total			
	Average of 3 years			

a. Qualitative information requirement

Annual report for the latest three years (from financial year 2017-18 to 2021-22)

Sr.No.	For the financial year	Remarks, if any	Annexure No.

- b. Organization chart – with names and responsibility(ies)
- c. Parent support and quality - Commonality of business, Contribution to overall group bottom line (PAT) –
- d. Profile of the company and other businesses (if any), scale of operations and their contribution Board Strength –
- e. Details of Board Members in the format given below

Sr.No.	Average experience of the Senior Manager	Remarks, if any

- f. Profile of the Board of Directors of the Company
- g. Average experience of the senior management

Sr.No.	Average experience of the Senior Manager	Remarks, if any

- h. Average No. of years of senior management in the current role

Sr.No.	Average experience of the Senior Manager	Remarks, if any

- i. Investment Policy - Articulation of the roles and responsibilities of the investment, research and dealing team, Are dealing and fund management carried out as independent activities?, Are investment strategies and investment universe for all funds defined?, Articulation of broker empanelment norms, Is the policy review process clearly laid down with details on frequency, exceptions, etc,
Write-up on Investment policy, investment process flow and investment research practices.
- j. Structure of Investment team, Organisation of investment and research function, Constitution of investment committee - Current reporting structure for the investment team,

details about all the individual Fund Managers - educational qualifications, funds management experience, current job responsibilities, portfolios (including assets as on 31st March,2022) managed by the individual Fund Managers, tenure spent with organization, previous employer and job responsibility (if any)

k. Format for details of fund manager

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

l. Operations - Efficiency of back office processes : Integration of front, mid and back office systems, Documentation of disaster recovery and business continuity plans

Write-up on operations processes

m. Operations – Compliance : Compliance Policy,

n. Write-up on compliance processes Data

p. Security Policy

Write-up on technology platforms, dedicated system support team, backup processes and disaster recovery system.

q. Structure of Risk Team - Reporting structure

r. Risk Policy - Depth Risk limits Review

Write-up on Risk Management policies

Write-up on System and process for determining counterparty limits

- s. Risk Management Tools - Comprehensiveness of the tool, usage of the tool in Integration.
- t. Write-up on Securities valuation practices / policies

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

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

- u. Net worth and profit after tax reported as of the end of each year (in Rs. crore) from year ending March 2018 to year ending March 2022.

Year Ending	Net Worth	Profit after Tax
31-Mar-18		
31-Mar-19		
31-Mar-20		
31-Mar-21		
31-Mar-22		

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

8. FORMAT OF FINANCIAL BID

8.1. Portfolio Management Fee including taxes.

Description	Percentage (%) in figures (including taxes)	Percentage (%) in words
Portfolio Management Fee expressed as percent of the investments/corpus		

8.2. Custodian Service charges including taxes (either for self or organisation registered with SEBI for custodial work):

Description	Percentage (%) in figures (including all	Percentage (%) in
-------------	--	-------------------

	taxes)	Words
Custodian Service Charges/Fee expressed as percent of the investments/corpus		

8.3. Total fees/charges (including taxes):

Description	Express in Percentage (%)
Portfolio Management Fee (8.1)	
Custodian Service Charges/Fees (8.2)	
Total	
Total fees/charges (including taxes) in words	

9. PROPOSED CONTRACT TERMS & CONDITIONS:

- a. KVS has a significant role to play in safeguarding the interest of subscribers. It will regulate the manner in which such moneys are invested by 'Portfolio Manager(s) of Provident Fund' and will make all efforts to ensure fair play for subscribers. It shall also ensure that all stakeholders comply with the guidelines/regulations issued by KVS / Ministry of Finance from time to time.
- b. Tenure of Appointment-The appointment of the Portfolio Managers shall be initially for 1 year. This may be extended for 4 years by mutual consent of the KVS and the selected Portfolio Manager, depending on the performance of the latter whose performance shall be reviewed on a regular basis by KVS.
- c. Performance Bank Guarantee-The successful Bidder (herein after called service provider) must, at its own expense, deposit with the KVS, 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 scheduled commercial bank acceptable to the KVS, payable on demand, for the due performance and fulfilment of the contract by the Bidder. The quantum of the PBG would be Rs. 25,00,000/- (Rs. Twenty five lakh only).
- d. 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.
- e. In the event of the service provider being unable to service the contract for whatever reason, which in the opinion of the KVS is due to circumstances within the control of the service provider, the KVS may invoke the PBG. Notwithstanding and without prejudice to any rights whatsoever of the KVS under the contract in the matter, the proceeds of the PBG shall be payable to the KVS as compensation due to failure in performing/complying with its obligations under the contract.
- f. Before invoking the PBG, the KVS will give a notice of 14 days to the service provider indicating the contractual obligation(s) for which the service provider is in default and give an opportunity to represent before the KVS. The decision of the KVS on the representation given by the service provider will be final and binding. If circumstances so warrant, the matter may be referred to an arbitrator to be appointed by the KVS with mutual consent.

10 .REVIEW OF PERFORMANCE

KVS will follow a process of periodic review of the performance of the Portfolio Managers. Such review will be carried out on a monthly, quarterly and annual basis. The criteria for performance review would be finalised by the KVS in consultation with the Consultant (If required) and communicated to the selected Portfolio Manager(s).

I. Conditions of termination

The appointment of the Portfolio Manager will be terminated if:-

- i. The Portfolio Manager contravenes the conditions/clauses as specified in the Agreement with the KVS;
- ii. The Portfolio Manager is unable to perform the duties and responsibilities as specified in the Agreement;
- iii. At the end of the tenure as specified in the Letter of Appointment;
- iv. If in the KVS's opinion, the performance of the Portfolio Manager is not satisfactory.

II. Process for transfer of assets in case of termination

(a) It shall be the duty of the Portfolio Manager to ensure to transfer the securities/deliver the securities to KVS or other Portfolio Manager(s) in the event of cessation of contract, without any cost to KVS except the statutory duties and taxes (if any).

(b) Any form of non-support or non-cooperation or obstructions from the Portfolio Manager shall amount to non-performance by the Portfolio Manager. The KVS reserves the right to invoke the PBG and / or take legal action against the Portfolio Manager in such cases.

10 (b) Payment Schedule

The fee/charges payable to the Portfolio Manager would be paid on quarterly basis.

The quarterly bill submitted by the Portfolio Manager (for portfolio management fees/ services and custodial charges/services) will be evaluated by KVS and after ensuring all compliances such as investment pattern prescribed by Government of India and terms of reference specified in the RFP, the payment will be made by KVS through RTGS/NEFT/TSA within a period of one month.

11. FORMAT FOR COVERING LETTERS, CLARIFICATIONS, DEVIATIONS & UNDERTAKING

Technical Proposal Covering Letter

(To be forwarded on the letterhead of the Applicant submitting the proposal).

Ref: _____

Date: _____

Tender for PMS

Joint Commissioner (Finance)

Kendriya Vidyalaya Sangathan (HQ)

18, Institutional Area, Shaheed Jeet Singh Marg,

New Delhi- 110016

Sir,

Ref: Request for Proposal (RFP): Appointment of Portfolio Managers for the KVS's corpus

We refer to the Request for Proposal (RFP) for Appointment of Portfolio Managers for the KVS's corpus.

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

Having examined the RFP document, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide the services as required and outlined in the RFP for Appointment of Portfolio Managers for the KVS's corpus.

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

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

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

We confirm that the information contained in this proposal or any part thereof, including its exhibits, schedules, and other documents delivered to the KVS is true, accurate, and complete. This proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the KVS 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 (company seal)/Nodal officer for all purposes
List of documents attached

- **Financial Proposal Covering Letter**

(To be forwarded on the letterhead of the Applicant submitting the proposal)

Ref: _____

Date: _____

Tender for PMS,
Joint Commissioner (Finance)
Kendriya Vidyalaya Sangathan (HQ)
18, Institutional Area, Shaheed Jeet Singh Marg,
New Delhi- 110016

Dear Sir,

Ref: Request for Proposal (RFP): Appointment of Portfolio Managers for the KVS's corpus

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 Portfolio Managers for the KVS's corpus.

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

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

If our proposal is accepted, we will obtain a Performance Bank Guarantee as mentioned in the RFP document issued by a Scheduled commercial bank in India, acceptable to the KVS, for the requisite sum of Rs. 25.00 Lakhs.

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

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

- **Request for clarifications**

Bidder's Request For Clarification			
Name of Organisation submitting request		Name of position of person submitting request	Address of organization including phone, tax, email, points of contact Tel: Fax: Email:
S.No.	Reference(Claue No./Page No.)	Content of RPF requiring clarification	Points of Clarification required
1			
2			
3			

-**Format for providing explanations for deviations if any**

Bidder's Request For deviations			
Name of Organisation submitting request		Name of position of person submitting request	Address of organization including phone, tax, email, points of contact Tel: Fax: Email:
S.No.	Reference (Clause No./Page No.)	Deviation in proposal	Reason
1			
2			
3			

- **Format for Undertaking**

UNDERTAKING

(To be given on company letter head)

I, _____, am the Chief Executive Officer/Managing Director/equivalent official of _____ < company name> having its registered office at _____

By the board resolution dated _____, (enclosed) I am authorized to sign and execute this undertaking on behalf of the Portfolio Manager for submitting a proposal pursuant to the request for proposal issued by KVS for appointment of portfolio manager(s) for managing KVS corpus (Provident fund).

I, on behalf of the Portfolio Manager, solemnly affirm and declare that:

- a. The current directors and key personnel of the Portfolio Manager are persons with adequate professional experience in the financial services industry and, to the best of my knowledge, are not (i) guilty of moral turpitude; or (ii) convicted of any economic offence under any applicable Indian laws; (iii) in violation of any applicable financial sector laws in India.
- b. The Portfolio Manager shall forthwith inform the KVS of any material change in the information or particulars previously furnished, which have a bearing on the appointment, if granted, of the Portfolio Manager for this Project.
- c. The Portfolio Manager shall comply with all the extant applicable KVS guidelines/directions.

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 _____.

12. Pattern Of Investment

Copy attached (Annexure-1).

8/16

To be published in the Gazette of India
Extraordinary Part I -Section 1
Government of India

MINISTRY OF FINANCE
(Department of Financial Services)
NOTIFICATION

New Delhi, the 2nd March, 2015

F. No. 11/14/2013 –PR.-- In partial modification of this Ministry's Notification No. 5(88)/2006-PR dated 14th August, 2008, the pattern of investment to be followed by Non-Government Provident Funds, Superannuation Funds and Gratuity Funds shall be as follows, effective from 1st April, 2015:-

Category	INVESTMENT PATTERN	Percentage amount to be invested
(i)	<p>Government Securities and Related Investments</p> <p>(a) Government Securities,</p> <p>(b) Other Securities {'Securities' as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956} the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government.</p> <p>The portfolio invested under this sub-category of securities shall not be in excess of 10% of the total portfolio of the fund.</p> <p>(c) Units of Mutual Funds set up as dedicated funds for investment in Govt. securities and regulated by the Securities and Exchange Board of India:</p> <p>Provided that the portfolio invested in such mutual funds shall not be more than 5% of the total portfolio at any point of time and fresh investments made in them shall not exceed 5% of the fresh accretions in the year.</p>	Minimum 45% and upto 50%
(ii)	<p>Debt Instruments and Related Investments</p> <p>(a) Listed (or proposed to be listed in case of fresh issue) debt securities issued by bodies corporate, including banks and public financial institutions ('Public Financial Institutions' as defined under Section 2 of the Companies Act, 2013), which have a minimum residual maturity period of three years from the date of investment.</p> <p>(b) Basel III Tier-I bonds issued by scheduled commercial banks under RBI Guidelines:</p> <p>Provided that in case of initial offering of the bonds the</p>	Minimum 35% and upto 45%

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>investment shall be made only in such Tier-I bonds which are proposed to be listed.</p> <p>Provided further that investment shall be made in such bonds of a scheduled commercial bank from the secondary market only if such Tier I bonds are listed and regularly traded.</p> <p>Total portfolio invested in this sub-category, at any time, shall not be more than 2% of the total portfolio of the fund.</p> <p>No investment in this sub-category in initial offerings shall exceed 20% of the initial offering. Further, at any point of time, the aggregate value of Tier I bonds of any particular bank held by the fund shall not exceed 20% of such bonds issued by that Bank.</p> <p>(c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and Asian Development Bank.</p> <p>(d) Term Deposit receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on the basis of published annual report(s) for the most recent years, as required to have been published by them under law:</p> <p>(i) having declared profit in the immediately preceding three financial years;</p> <p>(ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;</p> <p>(iii) having net non-performing assets of not more than 4% of the net advances;</p> <p>(iv) having a minimum net worth of not less than Rs.200 crores.</p> <p>(e) Units of Debt Mutual Funds as regulated by Securities and Exchange Board of India:</p> <p>Provided that fresh investment in Debt Mutual Funds shall not be more than 5% of the fresh accretions invested in the year and the portfolio invested in them shall not exceed 5% of the total portfolio of the fund at any point in time.</p> <p>(f) The following infrastructure related debt instruments:</p> <p>(i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the</p>	

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.</p> <p>Further, this category shall also include securities issued by Indian Railways or any of the body corporates in which it has majority shareholding.</p> <p>This category shall also include securities issued by any Authority of the Government which is not a body corporate and has been formed mainly with the purpose of promoting development of infrastructure.</p> <p>It is further clarified that any structural obligation undertaken or letter of comfort issued by the Central Government, Indian Railways or any Authority of the Central Government, for any security issued by a body corporate engaged in the business of infrastructure, which notwithstanding the terms in the letter of comfort or the obligation undertaken, fails to enable its inclusion as security covered under category (i) (b) above, shall be treated as an eligible security under this sub-category.</p> <p>(ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in (ii) (d) above.</p> <p>(iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non-Banking Financial Company and regulated by Reserve Bank of India.</p> <p>(iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.</p> <p>It is clarified that, barring exceptions mentioned above, for the purpose of this sub-category (f), a sector shall be treated as part of infrastructure as per Government of India's harmonized master-list of infrastructure sub-sectors.</p> <p>Provided that the investment under sub-categories (a), (b) and (f) (i) to (iv) of this category No. (ii) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from at least two credit rating agencies registered with Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulation, 1999. Provided further that in case of the sub-category (f) (iii) the ratings shall relate to the Non-Banking Financial Company and for the sub-category (f) (iv) the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund.</p>	

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.</p> <p>Provided further that investments under this category requiring a minimum AA rating, as specified above, shall be permissible in securities having investment grade rating below AA in case the risk of default for such securities is fully covered with Credit Default Swaps (CDSs) issued under Guidelines of the Reserve Bank of India and purchased along with the underlying securities. Purchase amount of such Swaps shall be considered to be investment made under this category.</p> <p>For sub-category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.</p> <p>It is clarified that debt securities covered under category (i) (b) above are excluded from this category (ii).</p>	
(iii)	<p>Short-term Debt Instruments and Related Investments</p> <p>Money market instruments:</p> <p>Provided that investment in commercial paper issued by body corporates shall be made only in such instruments which have minimum rating of A1+ by at least two credit rating agencies registered with the Securities and Exchange Board of India.</p> <p>Provided further that if commercial paper has been rated by more than two rating agencies, the two lowest of the ratings shall be considered.</p> <p>Provided further that investment in this sub-category in Certificates of Deposit of up to one year duration issued by scheduled commercial banks, will require the bank to satisfy all conditions mentioned in category (ii) (d) above.</p> <p>(b) Units of liquid mutual funds regulated by the Securities and Exchange Board of India.</p> <p>(c) Term Deposit Receipts of up to one year duration issued by such scheduled commercial banks which satisfy all conditions mentioned in category (ii) (d) above.</p>	Upto 5%
(iv)	<p>Equities and Related Investments</p> <p>Shares of body corporates listed on Bombay Stock Exchange (BSE) or National Stock Exchange (NSE), which have:</p> <p>(i) Market capitalization of not less than Rs. 5000 crore as on the date of investment; and</p>	Minimum 5% and upto 15%

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>(ii) Derivatives with the shares as underlying, traded in either of the two stock exchanges.</p> <p>(b) Units of mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE.</p> <p>Provided that the aggregate portfolio invested in such mutual funds shall not be in excess of 5% of the total portfolio of the fund at any point in time and the fresh investment in such mutual funds shall not be in excess of 5% of the fresh accretions invested in the year.</p> <p>(c) Exchange Traded Funds (ETFs) / Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Sensex Index or NSE Nifty 50 Index.</p> <p>(d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.</p> <p>(e) Exchange traded derivatives regulated by the Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.</p> <p>Provided that the portfolio invested in derivatives in terms of contract value shall not be in excess of 5% of the total portfolio invested in sub-categories (a) to (d) above.</p>	
(v)	<p>Asset Backed, Trust Structured and Miscellaneous Investments</p> <p>(a) Commercial mortgage based Securities or Residential mortgage based securities.</p> <p>(b) Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India.</p> <p>(c) Asset Backed Securities regulated by the Securities and Exchange Board of India.</p> <p>(d) Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India.</p> <p>Provided that investment under this category No. (v) shall only be in listed instruments or fresh issues that are proposed to be listed.</p> <p>Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two</p>	Upto 5%

Category	INVESTMENT PATTERN	Percentage amount to be invested
	<p>credit rating agencies registered by the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999. Provided further that in case of the sub-categories (b) and (d) the ratings shall relate to the rating of the sponsor entity floating the trust.</p> <p>Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of the ratings shall be considered.</p>	

2. Fresh accretions to the fund will be invested in the permissible categories specified in this investment pattern in a manner consistent with the above specified maximum permissible percentage amounts to be invested in each such investment category, while also complying with such other restrictions as made applicable for various sub-categories of the permissible investments.
3. Fresh accretions to the funds shall be the sum of un-invested funds from the past and receipts like contributions to the funds, dividend / interest / commission, maturity amounts of earlier investments etc., as reduced by obligatory outgo during the financial year.
4. Proceeds arising out of exercise of put option, tenure or asset switch or trade of any asset before maturity can be invested in any of the permissible categories described above in the manner that at any given point of time the percentage of assets under that category should not exceed the maximum limit prescribed for that category and also should not exceed the maximum limit prescribed for the sub-categories, if any. However, asset switch because of any RBI mandated Government debt switch would not be covered under this restriction.
5. Turnover ratio (the value of securities traded in the year / average value of the portfolio at the beginning of the year and at the end of the year) should not exceed two.
6. If for any of the instruments mentioned above the rating falls below the minimum permissible investment grade prescribed for investment in that instrument when it was purchased, as confirmed by one credit rating agency, the option of exit shall be considered and exercised, as appropriate, in a manner that is in the best interest of the subscribers.
7. On these guidelines coming into effect, the above prescribed investment pattern shall be achieved separately for each successive financial year through timely and appropriate planning.
8. The investment of funds should be at arms length, keeping solely the benefit of the beneficiaries in mind. For instance, investment (aggregated across such companies / organizations described herein) beyond 5% of the fresh accretions in a financial year will not be made in the securities of a company / organization or in the securities of a company / organization in which such a company / organization holds over 10% of the securities issued, by a fund created for the benefit of the employees of the first company / organization, and the total volume of such investments will not exceed 5% of the total portfolio of the fund at any time. The prescribed process of due diligence must be strictly followed in such cases and the securities in question must be permissible investments under these guidelines.

i. The prudent investment of the Funds of a trust / fund within the prescribed pattern is the fiduciary responsibility of the Trustees and needs to be exercised with appropriate due diligence. The Trustees would accordingly be responsible for investment decisions taken to invest the funds.

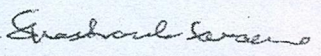
ii. The trustees will take suitable steps to control and optimize the cost of management of the fund.

iii. The trust will ensure that the process of investment is accountable and transparent.

iv. It will be ensured that due diligence is carried out to assess risks associated with any particular asset before investment is made by the fund in that particular asset and also during the period over which it is held by the fund. The requirement of ratings as mandated in this notification merely intends to limit the risk associated with investments at a broad and general level. Accordingly, it should not be construed in any manner as an endorsement for investment in any asset satisfying the minimum prescribed rating or a substitute for the due diligence prescribed for being carried out by the fund / trust.

v. The trust / fund should adopt and implement prudent guidelines to prevent concentration of investment in any one company, corporate group or sector.

10. If the fund has engaged services of professional fund / asset managers for management of its assets, payment to whom is being made on the basis of the value of each transaction, the value of funds invested by them in any mutual funds mentioned in any of the categories or ETFs or Index Funds shall be reduced before computing the payment due to them in order to avoid double incidence of costs. Due caution will be exercised to ensure that the same investments are not churned with a view to enhancing the fee payable. In this regard, commissions for investments in Category III instruments will be carefully regulated, in particular.


(Shashank Saksena)

Economic Adviser-II

INTEGRITY PACT

Between

Kendriya Vidyalaya Sangthan (KVS) hereinafter referred to as **“The Principal”**.

and

.....hereinafter referred to as **“The Bidder/Contractor”**.

Preamble

1. The Principal intends to award, under laid down organizational procedures, contract/s for.....The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/transparency in its relations with its Bidder(s) and / or Contractor(s).

In order to achieve these goals, the Principal will appoint an independent External Monitor(IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1-Commitments of the Principal

(1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

a. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.

b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.

c. The Principal will exclude from the process all known prejudiced persons.

(2) If the Principal obtains information on the conduct of any of its employee which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

Section 2-Commitments of the Bidder(s)/Contractor(s)

(1) The Bidder(s)/Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

a. The Bidder(s)/Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal’s employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally

entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

b. The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.

c. The Bidder(s)/Contractor(s) will not commit any offense under the relevant IPC/PC Act, further the Bidder(s)/Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

d. The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is annexed and marked as Annexure.

e. The Bidder(s)/Contractor(s) will, when presenting his bid disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

(2) The Bidder(s)/Contractor(s) will not investigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3- Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the "Guidelines on Banning of business dealings". Copy of the "Guidelines on Banning of business dealings" is annexed and marked as Annex-B".

Section 4- Compensation for Damages

(1) If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security.

(2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3. The Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

Section 5- Previous transgression

(1) The Bidder declares that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.

(2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in "Guidelines on Banning of business dealings".

Section 6- Equal treatment of all Bidders/Contractors/Subcontractors

(1) The Bidder(s)/Contractor(s) undertake(s) to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.

(2) The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.

(3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7- Criminal charges against violating Bidder(s)/Contractor(s)/Subcontractor(s)

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which continues corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

Section 8- Independent External Monitor/Monitors

(1) The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.

(2) The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairman, KVS

(3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality.

(4) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.

(5) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The Monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.

(6) The Monitor will submit a written report to the Chairman, KVS within 8-10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.

(7) Monitor shall be entitled to compensation on the same terms as being extended to/provided to Independent Officials of KVS.

(8) If the Monitor has reported to the Chairman, KVS a substantiated suspicion of an offence under relevant IPC/PC Act, and the Chairman, KVS has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, The Monitor may also transmit this information directly to the CVC.

(9) The word 'Monitor' would include both singular and plural.

Section9- Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the Contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by Chairman of KVS.

Section 10-Other provisions

(1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered of the Principal i.e. New Delhi.

(2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

(3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.

(4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come an agreement to their original intentions.

(For & On behalf of the Principal) (For & On behalf
of Bidder/Contractor)

(Office Seal)

(Office Seal)

Place.....

Date.....

Witness 1 :-

(Name & Address)
.....
.....

Witness 2 :

(Name & Address)
.....
.....