

Response to queries raised by bidders till 11.50 pm on 30<sup>th</sup> October, 2020 on the Request for Proposal (RFP) for Appointment of Custodian of Securities for Seamen's Provident Fund Organization's (SPFO) Fund

Sr. no	Reference (Clause No. /Page No.)	Content of RFP requiring clarification	Points of Clarification required	Response to query						
1	General	Using the earlier signed/franked documents for the retendered RFP	Since the content/scope of the retendered RFP remains same as the first RFP, request you to kindly allow the use of the earlier signed/franked documents such as affidavits, undertakings, cover letters, auditors certificate of Asset Under Custody submitted for the first tender for this bid submission as well.	Affidavit, undertakings, cover letter, auditor certificates or any other document as required in the RFP document should be as on the date of application.						
2	8.2 / Page 27	Pre-qualification bid format Names of Directors of the bidder: Shareholding pattern of the promoters:	As per our understanding, these points are prima facie applicable to a company establishment and not to Custodians or Banks. In our case, we are Foreign Bank, listed outside in India and operating out of our branch offices in the country. Therefore, these requirements, will not be applicable to us. Request you to kindly confirm this understanding.	<p>For bidder which are operating as bank branch office in India of its overseas parent company, the following documents to be provided against the below specified requirements under clause 8.2 of the RFP document;</p> <table border="1" data-bbox="1464 831 1966 1118"> <thead> <tr> <th data-bbox="1464 831 1682 895">Requirement</th> <th data-bbox="1682 831 1966 895">Required document</th> </tr> </thead> <tbody> <tr> <td data-bbox="1464 895 1682 991">Date of incorporation:</td> <td data-bbox="1682 895 1966 991">RBI Banking registration certificate</td> </tr> <tr> <td data-bbox="1464 991 1682 1118">Date of commencement of business:</td> <td data-bbox="1682 991 1966 1118">SEBI registration certificate for Custodian of Securities</td> </tr> </tbody> </table>	Requirement	Required document	Date of incorporation:	RBI Banking registration certificate	Date of commencement of business:	SEBI registration certificate for Custodian of Securities
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3	8.2.1 / page 29	Bidder should provide copy of registration with SEBI as Custodian of Securities and the registration should be valid on the date of issue of this RFP. Bidder should have at least 5 years of experience in providing satisfactory custody services in Indian markets as on the date of issue of this RFP. For this, bidder should provide copies of registration and renewal certificates with SEBI indicating continuous experience	As SEBI started issuing Registration Certificates from 1998, we understand, basis our earlier discussion and email dated 15/10/2020, that we can provide an affidavit to confirm the period of custodian services being offered prior to 1998. Also custodian arrangements do not involve any work orders and since such agreements are confidential documents, it cannot be shared it with third party. Request you to confirm if affidavits duly notarized by a public notary confirming the same can be provided.	Bidder shall provide auditor certificate recognized by ICAI for the custodial services provide by bidder prior to 1998.
4	8.3.2 / Page 32	Enclose Certificate for average of Total Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by the statutory auditor.	As a practice, periodic calculations of Assets under Custody is done on a monthly basis by a custodian. Basis our earlier discussion and email dated 15/10/2020 kindly confirm if custodians can provide certificate of average annual Assets under Custody basis month end valuations.	Bidder need to enclose certificate duly certified by an auditor recognized by ICAI as per the requirement under clause 8.3.2 of the RFP document.
5	8.3.3 / Page 32	Enclose Certificate for average of Debt Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by an auditor recognized by ICAI.	As a practice, periodic calculations of Assets under Custody is done on a monthly basis by a custodian. Basis our earlier discussion and email dated 15/10/2020 kindly confirm if custodians can provide certificate of average annual Assets under Custody basis month end valuations.	Bidder need to enclose certificate duly certified by an auditor recognized by ICAI as per the requirement under clause 8.3.3 of the RFP document.
6	9.3 / Page 37	Financial Bid Cover Letter	The portal ( <a href="https://eprocure.gov.in/eprocure/app">https://eprocure.gov.in/eprocure/app</a> ) allows only .xls file to be uploaded for financial Bid. We understand that we can attach the file in the financial bid itself and upload on the portal. Kindly confirm the understanding.	Ok.

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7	8.2.3, 8.2.4/Page 30  8.3.2, 8.3.3, 8.3.4, 8.3.5/Page 32	<p>8.2.3 – Bidder should have at least Rs. 60,000 Crores of Total Assets Under Custody as on 31 March, 2020. - Certificate of total assets under custody as on 31 March, 2020, duly certified by an auditor recognized by ICAI.</p> <p>Bidder should have at least Rs. 20,000 Crores of Debt Assets Under Custody as on 31 March, 2020. - Certificate of Debt assets under custody as on 31 March, 2020, duly certified by an auditor recognized by ICAI.</p> <p>Bidder should have at least Rs. 20,000 Crores of Equity Assets Under Custody as on 31 March, 2020. - Certificate of Debt assets under custody as on 31 March, 2020, duly certified by an auditor recognized by ICAI.</p> <p>8.2.4 – Client segment wise break up of Assets Under Custody reported above (in Section 8.2.3), duly certified by an auditor recognized by ICAI in the following format</p> <p>8.3.2 - Enclose Certificate for average of Total Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by the statutory auditor.</p> <p>8.3.3 - Enclose Certificate for average of Debt Assets Under Custody for last one (1) year as on 31 March, 2020 (Calculated on daily basis), duly certified by an auditor recognized by ICAI.</p> <p>8.3.4 - Enclose client segment wise break up of Assets Under Custody reported above (in Section 8.3.2), duly certified by an auditor recognized by ICAI</p> <p>8.3.5 - Enclose certificate for Number of clients with the bidder over the last five year period ended march 2020 whose Debt Assets Under Custody is at least Rs. 5,000 Crores as on 31 March, 2020, duly certified by an auditor recognized by ICAI.</p>	<p>For Total Assets under custody &amp; other certification by the auditors, We believe that these assets should be excluding SPFO assets and the assets of any “Related Party” (as per section 2 (76) of Companies Act 2013) of the Bidder. In order to assess the true and fair market penetration of the Bidder, we should exclude the AUC of that of “Related Parties”, as those mandates are likely to have been awarded to them by default and not on “arms-length” basis. Also, since this bid is for SPFO’s mandate, their assets should be excluded from the AUC calculation.</p>	<p>Bidder to provide auditor certificates as stated in the clause 8.2.3, 8.2.4, 8.3.2, 8.3.3., 8.3.4 and 8.3.5 considering Assets Under Custody as stated in the clause.</p>

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8	8.4.1 Page no.33	The Financial bid shall be submitted in the following format: (Fees for equity AUC)	As per 8.4.1 and 8.4.2 Format provided seems to be for debt investments only. How should fees be charged for Equity and equity related investments.	There is no separate fee payable for equity and equity related investments. The Bidder shall quote a fee as percentage face value of the quarterly average debt Asset Under Custody as per section 8.4 of the RFP document.
9	8.4.2 Page no 33	The fee to be charged by the Custodian of Securities should be as an absolute percentage (and not annualized percentage) of the total face value of the quarterly average assets under custody for debt securities.		
10	10. Investment Pattern of SPFO Page .No.42	iv. Equity and related investments  *Minimum 5% and up to 15%  *The investment in category 'Equity and related investments', portfolio manager should restrict its investment in SBI – ETF Nifty 50 only		
11	8.1.3 Financial bid 8.4 9.3	The Bidder's Financial bid, as per the format defined in Section 8.4, along with a covering letter, as per the format defined in Section 9.3, signed by the authorized representative of the Bidder.	In addition to loading of the soft copy of financial bid; Must the hard copy of the financial bid also be loaded along with other hard copies of pre-qualification ,Technical information , undertaking/ affidavits being loaded at the Central Public Procurement (CPP Portal)	Please refer to section 6.1.12 of the RFP document which states that 'Bidders are required to do online submission of pre-qualification, technical and financial bids (as detailed in section 8 of this document) at CPP Portal'