

EMPLOYEES' PROVIDENT FUND ORGANISATION

NEW DELHI



105th Meeting of the

**FINANCE AND INVESTMENT
COMMITTEE**

[CENTRAL BOARD OF TRUSTEES, EMPLOYEES' PROVIDENT FUND]

on

14 /07/2011 at 12.00 (Noon)

Venue:

**Conference Hall, 3rd Floor,
EPFO
Head Office,
Bhavishya Nidhi Bhawan,
14, Bhikaiji Cama Place,
New Delhi**

EMPLOYEES' PROVIDENT FUND ORGANISATION

AGENDA BOOK

105th Meeting of the Finance & Investment Committee, CBT, EPF

Date: 14.07.2011

INDEX OF ITEMS

Time: 12.00 (Noon)

Item No.	Agenda	Page No.
1.	Confirmation of the Minutes of 103 rd & 104 th Meeting of the Finance and Investment Committee held on 28.01.2011 & 03.02.2011 at EPFO, Head Office, New Delhi.	4-6
2	Action taken report on the recommendations of the 103 rd & 104 th meeting of Finance & Investment Committee.	7-9
3.	Appointment of new fund managers for managing the EPFO corpus for a period of 3 years.	10-23
4.	Any other item with the permission of the chair	

Item No.1:- Confirmation of the Minutes of the 103rd & 104th meeting of the Finance & Investment Committee held on 28.01.2011 & 03.02.2011 at EPFO, HQs, New Delhi.

Minutes of 103rd & 104th Finance and Investment Committee meeting held on 28.01.2011 & 03.02.2011 were circulated vide letter No Invest. I/1(103)/FIC/2010/36263 dated 01.02.2011 and letter No Invest. I/1(104)/FIC/2011/37652-64 dated 08.02.2011. No Comments have been received on the minutes of the above said meeting. Copy of the minutes is enclosed as **Annexure – A & B** to this items.

Minutes may be taken as confirmed.

Draft Minutes of the 103rd meeting of Finance & Investment Committee held on 28.01.2011

The 103rd meeting of the Finance and Investment Committee, Central Board of Trustees, Employees' Provident Fund was held at 2.30 PM on 28.01.2011, in the Conference Room, 3rd floor EPFO Head Office, New Delhi.

(a) The following were present in the meeting:

1.	Shri S. Chatterjee	Chairman, Finance and Investment Committee, CBT, EPF and Central Provident Fund Commissioner, Employees' Provident Fund Organisation, Head Office.
2.	Shri Chaman Kumar	Vice Chairman, Finance and Investment Committee, CBT, EPF and Addl. Secretary, Financial Advisor, Ministry of Labour & Employment, Government of India
3.	Shri A. D. Nagpal	Member, CBT, EPF (Employees' Representative)
4.	Shri Santosh Saraf	Member, CBT, EPF (Employers' Representative)
5.	Shri Sharad Patil	Member, CBT, EPF (Employers' Representative)
6.	Shri Rajesh Bansal	Convener and FA & CAO, EPFO

(b) The following officers attended:

1. Shri K. L. Goyal, RPFC-I(IMC)
2. Shri Rajiv Bisht, RPFC-II (IMC)
3. Ms. Nidhi Singh, RPFC-II (IMC)
4. Shri Rakesh Kumar, RPFC-II (IMC)

Dr. G. Sanjeeva Reddy, Shri B.N. Rai and Dr. Ram S. Tameja could not attend the meeting and had sought leave of absence.

The Chairman welcomed all the members and officers present in the meeting.

Item No. 1: Confirmation of the Minutes of 102nd Meeting of the Finance and Investment Committee held on 07.12.2010 at EPFO HQ, New Delhi

The minutes were approved by all the members and Shri Santosh Saraf suggested that in future the reconciled categorywise statement of security holding of EPFO should be placed before FIC after reconciling the statement of holdings with the depository.

Item No. 2: Action Taken Report on the recommendations of the 101st and 102nd Finance and Investment Committee.

The Committee took note of the Action Taken Report.

Item No.3:- Review of Investments in respect of Provident Fund, Pension Fund & EDLI Fund up to 31.12.2010

The Committee took note of the statement of schemewise holdings. Shri Santosh Saraf suggested that it should be confirmed that the holdings reflected in the statements are drawn from reconciled accounts. This was noted for future.

Item 4: Relaxation in Investment Pattern to also allow investment in Term Deposit Receipts (TDR) issued by Public Sector Banks for duration more than a year

The item was withdrawn.

Item No 5: Review of decision on deferring further Investment in LIC Housing Finance Company in PVT. Sector Category.

Shri A.D. Nagpal suggested that in view of the explanation given by Department of Financial Services, Ministry of Finance and reaffirmation of the highest rating by M/s. CRISIL and M/s. CARE in respect of M/s. LIC Housing Finance Limited, we may recommend the restoration of investment in LIC Housing Finance Ltd.

The Finance and Investment Committee, EPF considered the agenda item and decided to recommend to CBT,EPF to take a final decision on the issue.

Item No 6: Discussion on letter of Finance Ministry regarding Government Guarantee on investments of EPF monies in Capital Market.

The Finance and Investment Committee, EPF took note of the letter of the Finance Ministry and recommended that comments of EPFO thereon may be placed before CBT, EPF.

Item No 7: Discussion on letter of Finance Ministry regarding ratification of the decision to pay 9.5% interest on EPF accumulation for the year 2010-2011.

The Finance and Investment Committee, EPF took note of the letter of the Finance Ministry and the reply of the Labour Ministry thereon. The matter may be placed before the CBT,EPF meeting.

The meeting ended with vote of thanks to the Chair.

**Draft Minutes of the 104th meeting of Finance & Investment Committee held on
03.02.2011**

The 104th meeting of the Finance and Investment Committee, Central Board of Trustees, Employees' Provident Fund was held at 11.30 AM on 03.02.2011, in the Conference Room, 3rd floor EPFO Head Office, New Delhi.

(a) The following were present in the meeting:

1.	Shri S. Chatterjee	Chairman, Finance and Investment Committee, CBT, EPF and Central Provident Fund Commissioner, Employees' Provident Fund Organisation, Head Office.
2..	Shri S.K.Verma	Director (Social Security) MOL & E, New Delhi
3.	Shri A. D. Nagpal	Member, CBT, EPF (Employees' Representative)
4.	Shri Santosh Saraf	Member, CBT, EPF (Employers' Representative)
5.	Shri Sharad Patil	Member, CBT, EPF (Employers' Representative)
6.	Shri Rajesh Bansal	Convener and FA & CAO, EPFO

(b) The following officers attended:

1. Shri P.K.Udgata, RPFC (F & A)
2. Shri Shyam Sunder, Director (Audit)

Shri Chaman Kumar, Dr. G. Sanjeeva Reddy, Shri B.N. Rai and Dr. Ram S. Tameja could not attend the meeting and had sought leave of absence.

Item No. 1: Audited Annual Accounts in respect of Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976 for the financial year 2009-10

At the outset the Chairman welcomed all the Committee members and made it open to the forum to deliberate on the Consolidated Audited Annual Accounts of the Organisation for the financial year 2009-10, the Separate Audit Report and Management Letter of the C&AG for the year ended 31st March 2010 alongwith the replies of the Organisation.

After a detailed deliberation the Finance & Investment Committee recommended that the Audited Annual Accounts of EPFO in respect of all the three Schemes for the financial year 2009-10 be placed before the Executive Committee, CBT,EPF.

The meeting ended with vote of thanks to the Chair.

Item No.2:-**Statement showing the actions taken on the recommendations of the 103rd Finance & Investment Committee meeting held on 28.01.2011.**

Reference	Subject	Decision	Action Taken
Item No.5	Review of decision on deferring further Investment in LIC Housing Finance Company in PVT. Sector Category.	The Finance and Investment Committee, EPF considered the agenda item and decided to recommend to CBT,EPF to take a final decision on the issue,	<p>The Item with the recommendation of the FIC was placed before the 192nd meeting of CBT to be held on 15.02.2011 and the Board reviewed its decision taken in the last meeting not to make further investments in LIC HF Ltd. The Board decided that the investments may be continued in LIC HF Ltd. In view of the fact that LIC is a large public sector unit, and it has been confirmed by the Finance Ministry and the Credit rating agencies, that its finances are sound.</p> <p>The decision of CBT was communicated to the All Fund Managers vide letters no. IMC/44/192nd CBT/2011/38660-63 dated 23.02.2011.</p> <p>(Action Completed)</p>
Item No. 6	Discussion on letter of Finance Ministry regarding Government Guarantee on investments of EPF monies in Capital Market	The Finance and Investment Committee, EPF took note of the letter of the Finance Ministry and recommended that comments of EPFO thereon may be placed before CBT, EPF	<p>The Item with the recommendation of the FIC was placed before the 192nd meeting of CBT to be held on 15.02.2011 and the Board deliberated on the investment pattern to be followed by EPFO in view of the letter from the Ministry of Finance received recently. After deliberations and detailed discussions, the CBT decided to act with proper prudence and responsibility to ensure that the capital invested by the members was safe. The members reiterated that safety of capital was more important than return on capital and therefore decided to continue with the present pattern of investment</p> <p>(Action Completed)</p>
Item No.7	Discussion on letter of Finance Ministry regarding ratification of the decision to pay 9.5% interest on EPF accumulation for the year 2010-2011.	The Finance and Investment Committee, EPF took note of the letter of the Finance Ministry and the reply of the Labour Ministry thereon. The matter may be placed before the CBT,EPF	<p>The Item with the recommendation of the FIC was placed before the 192nd meeting of CBT to be held on 15.02.2011 and the Board discussed the letter from the Ministry of Finance regarding non-approval of 0.9% interest from 2010-2011 recommended by the CBT on 15.09.2010. The members noted a letter has been sent by the Ministry of labour & Employment to the Ministry of Finance reiterating that the calculations</p>

		meeting	<p>made were correct, and that no Government Money was involved, and the Organisation has certified that there will be no over withdrawal from the ISA. The Board stood by its decision of recommending 9.5% interest.</p> <p>Ministry of Labour vide its letter no.R-11018/1/2010.SS-II has communicated the approval of the Central Government on declaration of 9.5% interest rate for the year 2010-11 to EPF Subscribers.</p> <p>(Action Completed)</p>
--	--	---------	---

Reference	Subject	Decision	Action Taken
104 th FIC Item No.1	Audited Annual Accounts in respect of Employees' Provident Fund Scheme, 1952, Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976 for the financial year 2009-10	It was decided to Audited Annual Accounts of EPFO in respect of all the three Scheme for the financial year 2009-10 be placed before the Executive Committee,CBT,EPF.	The matter was placed before the 70 th Executive Committee,CBT,EPF held on 14.02.2011

Item: 3 Appointment of new fund managers for managing the EPFO corpus for a period of 3 years.

1. The Tenure of the then existing Four Fund Managers was expiring on 31.03.2011, therefore, the CBT in its 191st meeting held on 09.12.2010 approved selection of M/s CRISIL as consultant for the process of selection of Fund Managers. CBT also approved for the constitution of a selection committee to select Fund Managers and authorized Chairman, CBT to nominate members of the said committee. The Chairman, CBT approved a committee consisting of officials from EPFO to be headed by CPFC on 30.12.2010. Accordingly a committee comprising of CPFC (Chairman), FA& CAO (Member) & RPFIC-I IMC (Member) was constituted. The first meeting of the selection committee was held on 12.01.2011 in which the criteria for selection were discussed in consultation with the representatives from CRISIL. A second meeting of the selection committee was held on 25.01.2011 in which the advertisement for inviting Expression of Interest (EOI) was finalized. An advertisement for inviting Expression of Interest for appointment of Fund Managers for EPFO corpus was released in major national dailies as well as in EPFO website on 07.02.2011. The last date for submission of EOI was fixed for 17.02.2011. In the next stage, shortlisted applicants are to be issued Request for Proposal (RFP) document for submission of Technical and Financial Bids.
2. The "Request for Proposal" Document containing the details of Technical & Financial terms, to be issued to shortlisted applicants was finalized by the selection committee on 15.02.2011. However, as a matter of abundant caution, the Committee thought it appropriate to get advice/guidance from the Central Vigilance Commission (CVC). Accordingly, a reference was made to CVC on 17.2.2011. After exchange of correspondence, final reply was received from the CVC on 13.4.2011. A meeting of the selection committee was held on 23.05.2011 to finalise the RFP after incorporating the comments of the CVC. In the same meeting it was also decided to continue with four fund managers in order to have adequate competition, as earlier in 2008 also four fund managers were selected.
3. Since term of the then existing Fund Managers was expiring on 31.3.2011 and the process of selection of new fund managers was likely to take some more time, an agenda proposing extension of the term of the existing fund managers by three months was placed before the Central Board of Trustees in its 193rd meeting held on 30.3.2011. However. Central Board of Trustees did not approve the agenda item and decided to

assign the fund management of EPFO solely to State Bank of India for another three months i.e. upto 30.6.2011 and also decided that the process of selection of fund managers be completed in three months.

4. Clarifications on certain legal issues regarding eligibility of some applicants who have submitted their Expression of Interest applications (EOI) were sought from Ministry of Labour & Employment (MOL&E) on 06.4.2011. The final clarification on the issue was received from the (MOL&E) on 03.6.2011.
5. Immediately on receipt of the clarification, the finalized RFP document was issued to all the shortlisted 10 applicants on 06.06.2011, requesting them to submit their financial and technical bids.

The ten applicants which were shortlisted are:

- I. Birla Sun Life Asset Management Company Limited
- II. UTI Asset Management Company Limited
- III. State Bank Of India
- IV. ICICI Prudential Asset Management Corporation Limited
- V. HSBC Asset Management (India) Private Limited
- VI. Reliance Capital Asset Management Limited
- VII. Security Trading Corporation of India Limited (STCI)
- VIII. Kotak Mahindra Asset Management Company Limited
- IX. Franklin Templeton Asset Management (India) Private Limited
- X. ICICI Securities Primary Dealership Limited

Last date of submission of Bids by the applicants was fixed on 24.06.2011. Meanwhile, on 14.06.2011, a Pre-bid conference was held between selection committee, the Consultant appointed by EPFO M/S CRISIL and the ten shortlisted applicants.

6. Since, the process of appointing the new fund managers was likely to extend beyond 30.06.2011, the date decided by the CBT in its 193rd meeting held on 30.03.2011, hence an agenda was put before CBT in its 194th meeting held on 24.06.2011, requesting it to extend the timeline for selection of new fund managers by another two months i.e. from 01.07.2011 to 31.08.2011 or till the selection of new fund managers, whichever is earlier and also to continue SBI as fund manger of EPFO corpus till such time and same was approved by CBT.

7. All the 10 shortlisted applicants submitted their bids before the prescribed time i.e. 2:00 PM on 24.06.2011. The Technical bids of the applicants were opened on the same day i.e. 24.06.2011 at 4:00 PM in presence of the representatives of applicants participating in the bid except one applicant i.e. Franklin Templeton Asset Management (India) Private Limited.
8. The RFP document has been designed for the purpose of ensuring technical evaluation of the participants on both the counts i.e. Qualitative Evaluation and Quantitative Evaluation. The Technical and Financial bids submitted by the applicants are to be evaluated on pre-defined criteria.
 - (a) Technical bid

The Technical bids of all the Applicants are to be evaluated as per the criteria specified in Section 6.7 of the RFP (Annexure -A).
 - (b) Financial bid

All Applicants, who obtain a minimum score of 65 percent on the parameters of the Technical bid, are to be short-listed for the evaluation of their financial bid.
 - (c) In determination of the best value bid, the following weightages will be given for the Technical and Financial bid scores of the Applicants:

Technical bid score: 80%

Financial bid score: 20%

The final rankings for applicants will be on the basis of the weighted average score of the Technical and Financial bids, as per the weightages above.
9. All the shortlisted applicants were informed about the selection criteria through RFP document. The technical evaluation of the bids is still under process and shall be completed by 7th July 2011 and the financial bids will be opened on 8th July 2011. The final proceedings of the committee along with the **proposal for selection of fund managers** will be tabled in the Finance and Investment Committee on the date of meeting for recommendation to the CBT.

6.7 Technical evaluation parameters

6.7.1 Quantitative criteria (Page 35 of RFP)

Measure	How Measured	Weight
Experience in managing retirement fund of non owned funds	Past experience (Higher the better)	5 per cent
Assets Under Management (AUM) on book value basis of retirement funds (non owned funds)	Total assets managed - averaged as at the end of each quarter for all retirement funds portfolios from quarter ended March 2008 to quarter ended December 2010 (Higher the better)	10 per cent
Assets Under Management (AUM) on mark to market basis of long term debt portfolios* (non owned funds)	Total assets managed - averaged as at the end of each quarter for all long term debt portfolios* (excluding retirement funds) from quarter ended March 2008 to quarter ended December 2010 (Higher the better)	10 per cent
Performance	<ol style="list-style-type: none"> 1. For applicants managing only retirement fund portfolios (non owned funds), the evaluation will be done on the basis of Purchase Yield. 2. For applicants managing only long term debt portfolios* (non owned funds), the evaluation will be done on Point to Point returns. 3. For applicants managing both retirement fund portfolios (non owned funds) and long term debt portfolios* (non owned funds), the evaluation will be done on Purchase Yield and Point to Point returns respectively. The composite performance of the applicant will be calculated on an asset weighted basis on the average AUM as on December 31, 2010 	40 per cent
Total		65 per cent

* Long term portfolios are portfolios that have an average maturity of not less than 5 years over the last twelve quarter ending dates.

6.7.2 Qualitative criteria

Sr. No	Objective	Parameters	Measurement criteria	Weights	Sub Weights	Sub Weights
1	Organizational Structure			10.0%		
1.1	Ownership structure and Parent support				4.0%	
1.1.1	Ownership Structure	Clarity of Majority Shareholder	More than 75% - 5 >50% to 75% - 4 Largest shareholder more than 25% - 3 More than 1 equal large shareholder - 1 Any other shareholding pattern - 0			2.0%
1.1.2	Parent support and quality	Commonality of business	Parent is a financial services company - 5 Parent have other businesses but financial services business is strategically important - 3 None of the above- 0			1.0%
		Contribution to overall group bottom line (PAT)	More than 10% - 5 >8-10% - 4 >6-8% - 3 >4-6% - 2 >2-4% - 1 <=2% - 0			1.0%
1.2	Composition of Board of Directors/Trustee Board				4.0%	
1.2.1	Board Strength	No. of board members	6-12 - 5 4-5 or > 12 - 3 <4 - 0			1.0%
		No. of Independent Directors	More than 75% - 5 >66% - 75% - 4 >50% - 66% - 2 50% - 1 <50% - 0			2.0%
		Average experience of the Board	>15 years - 5 >12-15 years - 4 >10-12 years - 3 >7-10 years - 2 >5-7 years - 1 <= 5 years - 0			1.0%
1.3	Management quality				2.0%	

11

Sr. No	Objective	Parameters	Measurement criteria	Weights	Sub Weights	Sub Weights
1.3.1	Experience	Average experience of the senior management	(Experience of the senior management - CEO/MD, CIO/Head Investments (Equity & Debt), Head Operations, Head Risk, Head sales, Head research, Proposed Fund Manager(s) for the assignment) >15 years - 5 >12-15 years - 4 >10-12 years - 3 >7-10 years - 2 >5-7 years - 1 <= 5 years - 0			1.0%
1.3.2	Stability	No. of years of senior management in the current role	(Experience of the senior management - CEO/MD, CIO/Head Investments (Equity & Debt), Head Operations, Head Risk, Head Sales, Head Research, Proposed Fund Manager(s) for the assignment) >5 years - 5 >3-5 years - 3 >1-3 years - 1 <= 1 year - 0			1.0%
2	Operational Processes & Efficiency			12.0%		
2.1	Investment processes				7.5%	
2.1.1	Investment Policy	Articulation of the roles and responsibilities of the investment research and dealing team	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned			3.0%
		Are dealing and fund management carried out as independent activities?	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned			0.5%
		Are investment strategies and	Analysis will be done based on review of policy / documents shared by the			0.5%

Sr. No	Objective	Parameters	Measurement criteria	Weights	Sub Weights	Sub Weights
		investment universe for all funds defined?	Applicants and relative scores will be assigned			
		Articulation of broker empanelment norms	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned			0.5%
		Is the policy review process clearly laid down with details on frequency, exceptions, etc?	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned			0.5%
2.1.2	Structure of Investment team	Organisation of investment and research function	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned			1.5%
		Constitution of investment committee	Analysis will be done based on review of policy / documents shared by the applicants and relative scores will be assigned			1.0%
2.2	Operations				4.5%	
2.2.1	Efficiency of back office processes	Valuation policy	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned (Analysis will include aspects such as coverage of assets, responsibilities for valuations and fund manager discretion)			1.0%
		Integration of front, mid and back office systems	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned			0.5%

Sr. No	Objective	Parameters	Measurement criteria	Weights	Sub Weights	Sub Weights
		Documentation of disaster recovery and business continuity plans	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned (Analysis will include review of BCP, data storage, etc)			1.0%
2.2.2	Compliance	Compliance Policy	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned (Analysis will include details about firewalls between different businesses, trading policies, regulatory reporting, action to be taken in the event of breach etc.)			1.0%
2.2.3	Data Security	Data Security Policy	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned			1.0%
3	Risk Management			8.0%	8.0%	
3.1	Structure of Risk Team	Reporting structure	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned (will include analysis of organisation of risk function, separate and independent team, reporting structure)			3.0%
3.2	Risk Policy	Depth Risk limits Review	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned (analysis will include assessment of risk policy, incorporation of the roles and responsibilities of the risk team, policy review			3.0%

Sr. No	Objective	Parameters	Measurement criteria	Weights	Sub Weights	Sub Weights
			mechanism, frequency, reporting of deviations, articulation of limits for Liquidity/Concentration/Credit/StopLoss, etc)			
3.3	Risk Management Tools	Comprehensiveness of the tool, usage of the tool in integration.	Analysis will be done based on review of policy / documents shared by the Applicants and relative scores will be assigned (analysis will include assessment of comprehensiveness of the tool, monitoring of Investment risk limits, attribution, monitoring of market risk, etc)			2.0%
4	Financial Strength			5.0%		
4.1	Capitalization	Networth	Banks > 5000 cr - 5 2000 - 5000 cr - 3 < 2000 cr - 1 MFs > 500 cr - 5 250 - 500 cr - 3 < 250 cr - 1 PDs > 500 cr - 5 250 - 500 cr - 3 < 250 cr - 1		2.5%	2.5%
4.2	Profitability	PAT Growth (latest 3 years)	>25% 3 year CAGR - 5 >20-25% 3 year CAGR - 4 >15-20% 3 year CAGR - 3 >10-15% 3 year CAGR - 2 >5-10% 3 year CAGR - 1 <=5% 3 year CAGR - 0		2.5%	2.5%
TOTAL				35.0%		

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

6.7.3.1 Technical bid evaluation -

Table 6.7.3.1.1 Quantitative parameters

	Experience in managing retirement fund# in no. of months	Assets Under Management (AUM) of retirement funds# in Rs. Crs.	Assets Under Management (AUM) of long term debt portfolios# (excluding retirement funds) in Rs. Crs.	Asset weighted performance of long term debt portfolios of non owned funds* (Point to point return by way of geometric mean)	Purchase Yield of non owned funds for long term debt portfolios*
Parametric Weights	5%	10%	10%	20%	20%
Applicant 1	36	15000	17000	8.90%	5.05%
Applicant 2	48	50000	10000	8.50%	9.84%
Applicant 3	36	10000	6000	8.00%	7.70%
Applicant 4	Nil	Nil	50000	8.20%	6.50%
Applicant 5	60	30000	9000	9.10%	7.25%
Maximum	60	50000	50000	9.10%	9.84%
Basis for parametric evaluation	Maximum	Maximum	Maximum	Maximum	Maximum

* Long term debt portfolios are portfolios that have an average maturity of not less than 5 years over the twelve quarter ending dates.

Fund not to include owned funds

Table 6.7.3.1.2 Quantitative parameters scoring

	Experience in managing retirement funds Score	Assets Under Management (AUM) of retirement funds Score	Assets Under Management (AUM) of long term debt portfolio excluding retirement funds Score	Asset weighted performance for long term debt portfolio of non-owned funds Score	Purchase Yield of non-owned funds for long term debt portfolios Score	Total Score based on Quantitative parameters = sum (parametric weight score on each parameter)
	A	B	C	D	E	F
Parametric Weights	5%	10%	10%	20%	20%	65%
Applicant 1	0.60	0.30	0.34	0.98	0.51	0.39 [^]
Applicant 2	0.80	1.00	0.20	0.93	1.00	0.55
Applicant 3	0.60	0.20	0.12	0.88	0.78	0.39
Applicant 4	0.00	0.00	1.00	0.90	0.66	0.41
Applicant 5	1.00	0.60	0.18	1.00	0.74	0.48

* Long term debt portfolios are portfolios that have an average maturity of not less than 5 years over the twelve quarter ending dates.

Note - The parametric score for each applicant is calculated on the basis of their score on each parameter relative to the best score for that parameter. The best score would be the maximum number / amount, as disclosed by the Applicants for that parameter. E.g. In case of experience in managing retirement fund, the maximum number of months of experience would be the best score. Applicant 5 would therefore have a score of 1 and the scores of all other Applicants would be calculated relative to the best score. Applicant 1, for instance would have a score of 0.6 (36 months / 60 months).

[^]Working for Applicant 1(F)= (5%*0.60+ 10%*0.30+ 10%*0.34+ 20%*0.98+ 20%*0.51)= 0.39

Table 6.7.3.1.3 Qualitative parameters

	Organisational Structure	Operational Processes & Efficiency	Risk Management	Financial Strength
Parametric Weights	10%	12%	8%	5%
Applicant 1	8	6	7	8
Applicant 2	2	4	5	3
Applicant 3	4	8	3	6
Applicant 4	6	7	7	7
Applicant 5	6	7	7	7
Maximum	8	8	7	8
Basis for parametric evaluation	Maximum	Maximum	Maximum	Maximum

Table 6.7.3.1.4 Qualitative parameters scoring

	Organisational Structure score	Operational Processes Efficiency score	Risk Management score	Financial Score	Total Score based on Qualitative parameters – sum (parametric weight * score on each parameter) Score
	G	H	I	J	K
Parametric Weights	10%	12%	8%	5%	35%
Applicant 1	1.00	0.75	1.00	1.00	0.32 [^]
Applicant 2	0.25	0.50	0.71	0.38	0.16
Applicant 3	0.50	1.00	0.43	0.75	0.24
Applicant 4	0.75	0.88	1.00	0.88	0.30
Applicant 5	0.75	0.88	1.00	0.88	0.30

Note -The parametric score for each applicant is calculated on the basis of their score on each parameter relative to the best score for that parameter. The best score would be the maximum score, as assessed during the evaluation for that parameter. E.g. In case of Organisational Structure, the maximum score is 8. Applicant 1 would therefore have a score of 1 and the scores of all other Applicants would be calculated relative to the best score. Applicant 2, for instance would have a score of 0.25 (2/8).

[^]Working for Applicant 1(K) = (10%*1+ 12%*0.75+ 8%*1.0+ 5%*1.0) = 0.32

Table 6.7.3.1.5 Overall evaluation scoring

	Final Score of Technical Bid (L=F+K) Quantitative + Qualitative parameters	Eligibility for Financial Bid Applicants with at least 65% score on Technical bid	Final Score of Financial Bid (M)	Final Score of Technical Bid (N)	Final Score of Financial Bid (O)	Final Score = sum (Parametric weight Bid Score of each Applicant) (P)	Rank
Parametric Weights				80%	20%	100%	
Applicant 1	0.712	Eligible	0.0065%	0.914	0.938	0.919 [^]	3
Applicant 2	0.708	Eligible	0.0061%	0.908	1.000	0.927	2
Applicant 3	0.636	Not Eligible					
Applicant 4	0.716	Eligible	0.0069%	0.919	0.884	0.912	4
Applicant 5	0.779	Eligible	0.0067%	1.000	0.910	0.982	1
Maximum/Minimum	0.779		0.0061%				
Basis for final evaluation	Maximum		Minimum				

Note - Only Applicants with a minimum score of 0.65 in technical evaluation would be considered for the final evaluation. In arriving at the final score, the scores for each Applicant on the Technical and Financial Bids are calculated separately. The scores for each Applicant are scaled relative to the best score on Technical and Financial Bids. The best scores for the Technical and Financial Bids are the maximum score and minimum bid (as percent of the investments) respectively. E.g. In case of Technical Bid, the maximum score is 0.779. Applicant 5 would therefore have a score of 1 and the scores of all other Applicants would be calculated relative to the best score. Applicant 1, for instance would have a score of 0.914 (0.712/0.779). In case of the Financial Bid, the minimum bid is 0.0061%. Applicant 2 would therefore have a score of 1 and the scores of all other Applicants would be calculated relative to the best score. Applicant 1, for instance would have a score of 0.938 (0.0061%/0.0065%). The final evaluation of each Applicant would be done on the basis of their weighted average score on Technical and Financial Bids. The Technical and Financial Bids would have a weight of 80% and 20% respectively.

[^]Working for Applicant 1 (P) = (0.80*0.914+0.20*0.938) =0.919