

**Response to the queries- Request for Proposal [RfP] for Appointment of Consultant for 'Preparation and implementation of Risk Assessment & Monitoring Framework for Bank's NBFC portfolio'**

S.No.	Page/ Section of RFP	Clause No of RFP	Clause Description	Query	Reviewed SIDBI Response / Clarification
1	Page 4	Clause 1, Point 5 Last date for submission of bids	Last date for submission of bids - January 20, 2023, 1100 hrs Only E- bids (over email) to be furnished. No physical bids shall be entertained.	Current date for bid submission is mentioned as 20th January, 2023 Since our offices are shutdown globally on account of New Year's, we request for a 2 week extension on the submission date to enable sufficient time to respond to the RFP	Last date for submission of Bids - Date: February 06, 2023; Time -1100 Hrs  Date & Time of Opening of Eligibility Criteria & Technical bid-Date: February 06, 2023; Time-1130 Hrs  Bid opening will be through Microsoft Teams (online) and the link for the same will be shared through email.
2	Page 13	Clause 4.10.2	Other Documents (to be submitted along with accepted letter of intent issued by SIDBI)	Requesting clarification on whether the "Other documents" mentioned in the clause are only to be submitted by the selected bidder (post closure of the RFP process)	After completion of selection process, SIDBI will issue Letter of Intent (LoI) / work order to the successful bidder. Only successful Bidder is required to submit the other documents viz. NDA, Bank Mandate and Performance Bank Guarantee along with acceptance of LoI / work order.
3	Page 19	Clause 6.2.i	Prepare and implement Risk Assessment & Monitoring Framework for NBFC portfolio which includes policy document, operating manuals, data collection mechanism, defining of various triggers based on data, etc. Policy document to include possible options and approaches to be created for the new framework for approval of competent authority.	Requesting clarification on the statement "Policy document to include possible options and approaches to be created for the new framework for approval of competent authority." - Which authority does this statement refer to?	Competent Authority refers to SIDBI.
4	Page 25	Clause 7.5.5, Point 1 (Evaluation criteria - Annual	The average of annual revenue (best of three in the five financial years starting from FY2018) of the bidder.	Request if certificate from a practicing CA can be accepted instead of these documents	Please refer to <b>Appendix-I</b> .

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		Revenue of the bidder)	<i>Copy of relevant audited financial statements. Auditors Certificate stating revenues from advisory fees in relevant financial years</i>		
5	Page 25	Clause 7.5.5, Point 2 (Evaluation criteria - Bidders Experience)	<p><b>Evaluation</b> Experience in providing management consultancy services / implementation of frameworks / strategies, in the last 5 years, at Indian Banks having loan portfolio size of more than ₹3,00,000 crore and having an NBFC loan portfolio size of more than ₹10,000 crore, for a minimum tenure of 3 months, in the areas of implementation of similar NBFC risk assessment and monitoring framework (Credit Risk Management System, Integrated Risk Management, Basel II / III) - Minimum – One completed eligible assignment. 5 years will be counted from date of completion of Assignment.</p> <p><b>Scoring</b> 3 Marks for each completed eligible assignment. Only completed assignments will be considered for evaluation. Completion Certificate or a Self-Declaration to be furnished by the bidder on its letter head. A bidder should submit brief description of the assignment and duration of the assignment.</p> <p><b>Methodology:</b></p>	<p>- Requesting SIDBI to also consider experience of <b>servicing Global banks (satisfying all conditions and relevance of work)</b></p> <p>- Requesting SIDBI to <b>relax the criteria</b> of "Indian Banks having loan portfolio size of more than 3,00,000 crore", as only 10 of 90+ banks in India satisfy the criteria (7 public sector, 3 private sector) i.e. &lt;15% (as per RBI)</p> <p>- Requesting SIDBI to also consider experience of <b>servicing Indian NBFCs with portfolio size of &gt;10,000 Crore</b></p>	Please refer to <b>Appendix-I</b>

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			The Bank reserves the right to ask for contact details (Name, email, contact number) of the clients at the time of technical evaluation.		
6	Page 26	Clause 7.5.5, Point 3 (Evaluation criteria - Suitability of key resource - Project Head (Head- Risk Analyst))	<p><b>Evaluation Parameter:</b>  Experience as Project Head in providing / implementing risk assessment / monitoring framework for financial institutions.  ✓ Minimum experience of 10 years in the field of risk assessment / monitoring framework for lending to banks/NBFCs/MFIs.  ✓ Educational qualification-  ✓ MBA/MMS/MS/PGDM in Finance/ MSc Risk Management / MSc (Maths /Statistics/ Economics) / MA (Maths /Statistics/ Economics) or BE/BTech with professional qualifications viz. Financial Risk Manager (FRM) or Professional Risk Manager (PRM) etc. Global Association of Risk Professional (GARP) certification in Financial Risk Manager.</p> <p><b>Scoring Methodology:</b>  CV should cover  ✓ Educational Background and overall experience in the field of risk assessment / monitoring framework. (Educational Qualification: 5 marks and Certification in Financial Risk Management – 3 marks.)  ✓ Experience of relevant</p>	<p>- Requesting SIDBI to provide additional marks also for experience in <b>servicing large financial institutions, regulatory agencies, etc. in global/ developed economies.</b></p> <p>- Requesting SIDBI to increase weightage for <b>relevant experience</b>, compared to certifications (which is typically dated). Additionally, requesting SIDBI to include <b>Chartered Financial Analysts (CFA)</b> within the gambit of relevant professional qualifications - given FRM and GARP certification is a relatively recent entrant in the India market, it may be difficult to find qualified professionals with 10+ years of experience.</p> <p>- Additionally, instead of having both domain experts with risk assessment/ monitoring framework experience, we request SIDBI to have <b>1 domain expert with strong BFSI experience</b></p>	Modified clause / parameter given at <b>Appendix-I.</b>

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			<p>engagements in detail (max 15 marks - 3 marks for each completed relevant assignment)</p> <p>✓ Experience in India – 2 marks; Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.</p>		
7	Page 27	Clause 7.5.5, Point 4 (Evaluation criteria - Domain Expert - 1 ((Junior Risk Analyst))	<p><b>Evaluation Parameter:</b> Experience in the field of risk assessment / monitoring framework. ✓ Minimum experience of 5 years in field of risk assessment / monitoring framework. ✓ Educational qualification- ✓ MBA/MMS/MS/PGDM in Finance/ MSc Risk Management / MSc (Maths /Statistics/ Economics) / MA (Maths /Statistics/ Economics) or BE/BTech with professional qualifications viz. Financial Risk Manager (FRM) or Professional Risk Manager (PRM), GARP etc.</p> <p><b>Scoring Methodology:</b> CV should cover ✓ Educational Background and overall experience including in the field of risk assessment / monitoring framework. (Educational Qualification – 2 marks; 2 marks for professional certifications) ✓ Experience of relevant engagements viz., credit risk in</p>	<p>- Requesting SIDBI to provide additional marks also for experience in <b>servicing large financial institutions, regulatory agencies, etc. in global/ developed economies.</b></p> <p>- Requesting SIDBI to increase weightage for <b>relevant experience</b>, compared to certifications (which is typically dated). Additionally, requesting SIDBI to include <b>Chartered Financial Analysts (CFA)</b> within the gambit of relevant professional qualifications - given FRM certification and GARP certification is a relatively recent entrant in the India market, it may be difficult to find qualified professionals with 5+ years of experience.</p> <p>- Additionally, instead of having both domain experts with risk assessment/ monitoring framework experience, we request SIDBI to</p>	<p>Modified clause / parameter given at <b>Appendix-I.</b></p> <p>It is clarified that experience can be before FRM/GARP Certificate also.</p>

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			institutional exposures, in detail. (max 6 marks - 2 marks for each completed relevant assignment) Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.	have <b>1 domain expert with strong BFSI experience</b>	
8	Page 27	Clause 7.5.5, Point 5 (Evaluation criteria - Domain Expert - 2 (Data Scientist))	<p><b>Evaluation Parameter:</b>  Domain expert with  ✓ Minimum 5 years of work Experience in IT / Data Science in BFSI sector out of which minimum 1 year experience as a Data Scientist  ✓ Educational Qualification-  ✓ B.Tech/B.E./M.Tech/M.E. in Computer Science / IT/Data Science/Machine Learning and AI (Minimum 60% marks compulsory in B.Tech / B.E.) from AICTE/UGC recognized university.  ✓ Professional certifications including Certified Data Scientist from reputed institutions.</p> <p><b>Scoring Methodology:</b>  CV should cover  ✓ Educational Background and overall experience including in the field of IT / Data Science. (Educational Qualification - 2 marks; 2 marks for professional certifications)  ✓ Experience of relevant engagements in detail. (max 6 marks - 2 marks for each completed</p>	<p>- Requesting SIDBI to provide additional marks for experience in <b>servng large financial institutions, regulatory agencies, etc. in global/developed economies.</b></p> <p>- Also, requesting SIDBI to consider <b>higher relevant experience for higher scores</b>, in lieu of professional certifications, as most Tier-I institutions =have only recently started providing data science specific certifications</p>	Modified clause / parameter given at <b>Appendix-I.</b>

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			relevant assignment) Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.		
9	Page 27	Clause 7.5.5, Point 6	<p><b>Evaluation Parameter:</b>  ✓ Understanding of the scope of the assignment  ✓ Understanding of risk and monitoring framework for financial institutions/institutional lending specially in context of NBFCs.  ✓ Understanding of Domestic Financial Institutions, Regulatory environment/ Bodies and Global Financial Institutions  ✓ Understanding of MSME/ Start-up sector and their financial and nonfinancial requirements financing (Both in India and Outside India)  ✓ Understanding of the NBFC sector, their lending practices, attendant risk, etc. and other deliverables of the engagement.</p> <p><b>Scoring Methodology:</b>  Assessment by Evaluation Committee based on the presentation and interaction during the presentation to the Evaluation Committee</p>	Requesting SIDBI to provide additional marks also for experience in <b>servicing major banking institutions, regulators and NBFCs in India and globally</b>	No change.
10	Page 13	Clause 4.10.2	Bidders are requested to submit annexures related to NDA, Bank Mandate and Performance Bank	Requesting clarification on the <b>LOI acceptance process</b>	Please refer to S.No. 2 of this document.

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			Guarantee (once LOI is accepted and issued by SIDBI)		
11	Page 78	Annexure - XIV: Proposed Team Profile	The CVs / Resume should be of maximum 5 pages each and signed by the respective person confirming that the information given in the CV / resume is correct.	Requesting clarification on whether <b>digital signatures</b> are acceptable instead of physical signatures	Yes. Digital Signatures are also acceptable in CVs / Resume.
12	13	4.10.2	Other Documents (to be submitted along with accepted letter of intent issued by SIDBI)	Are other documents such as NDA, Bank Mandate Form and performance bank guarantee to be submitted by the successful bidder once contract is awarded?	Please refer to S.No. 2 of this document.
13	23	7.1.5	Bidders must not present any reference as credential for which it is not in a position to present the verifiable facts/documents. SIDBI would not consider any statement as a credential if same cannot be verified as per its requirement for evaluation.	Do we need to submit any documents (proof) for the credentials along with the bid	Documentary proofs are required to be submitted, preferably along with submission of RfP, but in any case, must be submitted for verification before finalisation of technical evaluation, with regard to various references mentioned in the RfP.
14	25	7.5.5	Average Turnover revenue (best of three in the five years financial years starting from FY2018): ✓ Equal to or more than Rs 125 crore but less than Rs 200 Crore- 4 marks ✓ Equal to or more than Rs 200 crore but less than Rs 350 Crore- 6 marks ✓ Equal to or more than Rs 350 crore but less than Rs 500 Crore- 8 marks ✓ Equal to or more than Rs 500 crore - 10 marks  Copy of relevant audited financial statements.	Will the audited financial statements work as auditor certificate?	Please refer S. No. 3 of <b>Appendix-I for clarification/modification.</b>

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			Auditors Certificate stating revenues from advisory fees in relevant financial years.		
15	79	Annexure XV	Annexure - XV: Land Border Sharing Declaration	Is the Land Border Sharing Declaration to be submitted by companies registered in India?	Kindly refer to clause 4.17 of the RfP.
16	22	6.3.2	<b>Presentation to Management / Board</b> The selected agency will be expected to make a comprehensive presentation, at end of each phase, to SIDBI. It is expected that the selected agency will deliver the output as per the time schedule. <b>It may also be noted that progress on deliverables would in any case be on parallel rather than sequential basis.</b>	The requirement is for the work to be carried out parallelly and not sequentially. This may not be possible in all instances. For example - Implementation which is covered in phase 2 will be initiated only post obtaining relevant sign-offs in phase 1. Please clarify on the expectation for completing the work parallelly.	Depending on the nature of the phase wise deliverables, the progress of work shall be decided mutually. SIDBI say shall be final in this regard.
17	25	7.5.5	1. Key resource -Project Head (Head-Risk Analyst) 2. Domain Expert -1 (Junior Risk Analyst) 3. Domain Expert – 2 (Data Scientist)	The CVs have been requested only for project head, 2 data scientists and junior risk analyst. In our view, considering the scope and timelines, atleast 6-8 resources would be required for this. Please clarify on the number of people.	Please refer to <b>Appendix-I</b> of this document. It is clarified that SIDBI has indicated minimum requirement of resources. Consultant may take a view on additional resources to be deployed based on the assessment of Scope of work / deliverables / timelines given for deliverables of the RfP document.  Further clarity on Domain Experts are as under: Domain Expert - A (Risk Analyst) – 1 no. Domain Expert – B (Data Scientist) - 1 no.
18	62	Annexure VI- of Attorney	Annexure – VI: Power of Attorney	Can we use our internal standard format for the power of attorney?	PoA is to be submitted as per format at <b>Annexure -VI</b> of the RfP.



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19	13	4.1	Details of bids to be submitted	<ul style="list-style-type: none"> <li>• Our technical bids may be larger in size than the permissible limit of mails. We request for permission to deliver all the files through a pen drive / physical copies to avoid any issues.</li> <li>• Also, let us know the mode and timings of password sharing for the technical and commercial bids.</li> </ul>	<p>Only E- bids (over email) are required to be furnished. In case of mail size restriction, mails (maximum of 3) for each of the categories viz., File-1/3, File-2/3 and File 3/3 (as per clause 4.10 of the RfP) may be sent. Passwords are required to be shared over email / MS Teams at the time of opening of respective bids. For timings of opening of the eligibility and technical bids, please refer to <b>S.No. 1</b> of this document. For timings of opening of the commercial bids shall be intimated at a later date to the bidders qualifying technical evaluation.</p> <p>Bids received through Pen drive / physical copies, other than over email, will not be entertained.</p>
20	25	7.5.5	Evaluation of Eligibility Criteria and Technical Bids – Annual Revenue of the Bidder	<ul style="list-style-type: none"> <li>• SIDBI has embarked on an ambitious journey through the RFP and in order to ensure high quality of the consulting agency, we would like to propose that the minimum annual revenue criteria be changed to 250 Crores and maximum marks be given if average annual revenue is equal to or more than 1,000 Crores.</li> </ul>	No change.
21	25	7.5.5	Evaluation of Eligibility Criteria and Technical Bids – Annual Revenue of the Bidder	<ul style="list-style-type: none"> <li>• We will be submitting copy of the relevant audited financial statements. Getting an auditor</li> </ul>	Please refer S. No. 3 of <b>Appendix-I for clarification/modification.</b>

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				certificate in the desired format may take some time and hence we request you to accept a certificate authorized by a Chartered Accountant stating revenue from advisory fees in relevant financial years.		
22	25	7.5.5	Evaluation of Eligibility Criteria and Technical Bids – Bidders experience	<ul style="list-style-type: none"> <li>This criteria is quite restrictive and also many banks do not disclose their NBFC portfolio publicly. Hence, we request you to consider Experience in providing management consultancy services / implementation of frameworks / strategies, in the last 5 years, at Indian Banks having loan portfolio size of more than 3,00,000 crore or NBFCs having loan portfolio size of more than 10,000 crore, for a minimum tenure of 3 months Minimum – One completed eligible assignment.</li> </ul>	Modified clause given at <b>Appendix-I</b> .	
23	26	7.5.5	Evaluation of Eligibility Criteria and Technical Bids – Project Head	<ul style="list-style-type: none"> <li>The Project Head should bring a strong mix of management consulting, risk assessment / monitoring frameworks both in India and Global Banks. We request you to modify the minimum experience to 15 years in the field of management consulting in Financial Sector / risk assessment / monitoring framework for lending to banks/NBFCs/MFIs in India or in Global Banks.</li> </ul>	Modified clause is given in <b>Appendix-I</b> .	

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				<ul style="list-style-type: none"> <li>Further, we request that certification in Financial Risk Management be removed from evaluation criteria of Project Head.</li> </ul>	
24	27	7.5.5	Evaluation of Eligibility Criteria and Technical Bids – Project Head and Domain Experts	<ul style="list-style-type: none"> <li>Given the specialized nature of the role and strong expertise required, we suggest that evaluation should be based on assessment of CV and credentials (say 50%) and interactions with the relevant profiles (balance 50%) to have a more robust assessment of suitability for the role and relevance for SIDBI.</li> </ul>	<p>No change.</p> <p>The Bidder may ensure the presence of proposed team members for interactions during presentation.</p>
25	31	8.1	General Provisions	<ul style="list-style-type: none"> <li>Given the specialized nature of the program and external dependencies (data collection from NBFC etc), we request to increase the duration of the program to 9 months or keep an option for extending the program for a mutually discussed time and cost.</li> </ul>	<p>Need based increase in project duration may be considered at the discretion of the Bank.</p>
26	36	8.2.8	Suspension	<ul style="list-style-type: none"> <li>We suggest deletion of this clause in entirety. Any suspensions should be mutually discussed and agreed between the parties, since considering the nature of services, the team and Bank shall work closely for the services.</li> </ul>	<p>Clause 8.2.8 removed.</p>
27	36	8.2.9	Termination	<ul style="list-style-type: none"> <li>We suggest removing the reference of notice of suspension from clause 8.2.9.1 (b) and replacing the same with notice of material breach.</li> <li>We suggest deleting 8.2.9.1 (g)</li> </ul>	<p>Clause 8.2.9.1(g) removed only.</p>

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				<p>since any termination should be for a cause.</p> <ul style="list-style-type: none"> <li>• We suggest amending the timelines in clauses 8.2.9.2 (a) to match clause 8.2.9.1, that is, 30 days.</li> <li>• We suggest amending clause 8.2.9.4 to clarify that in the event of any termination, we should be paid for services performed, deliverables provided, and our proprietary tools (if any) accessed up till the date of termination, and for reasonable expenses agreed in advance. We also suggest deleting the right to set off payment.</li> </ul>		
28	39	8.3.7	Accounting, Inspection and Auditing	<ul style="list-style-type: none"> <li>• We can agree to limited audit terms, and we propose to replace the clause on the following understanding – We will maintain complete auditable records directly related to the Services provided to the Bank under the Contract for the purpose of Bank assessing our compliance with the terms of the Contract for a period of one year after the completion of such Services, however, this shall not extend to a visit of premises or audit of our systems. The Bank’s internal or external auditors may audit, copy and inspect the records at reasonable times and upon reasonable notice; provided,</li> </ul>	It is clarified that inspection means inspection of documents (not visit to premises as such) and also audit/inspection will be only of documents related to project, not of other accounts/other documents.	

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				however, that all such auditors are instructed by Bank to maintain the confidentiality of the information gathered consistent with the terms contained in the Contract. Nothing herein shall obligate us to disclose to the Bank or any of its auditors any documents or other material relating to the profitability or internal profit and loss/balance sheets associated with our business, payroll information, or information or material that constitute, in our opinion, legally privileged documents or information that we are bound to maintain as confidential by written obligation to a third party.		
29	39	8.3.3	Confidentiality	<ul style="list-style-type: none"> <li>• In the Contract, we propose to further clarify this clause to define 'Confidential Information' and to add mutual confidentiality obligations for both parties.</li> <li>• Further, Confidential Information should not include information that: (a) is previously known to, or in the possession of, the receiving party without an obligation not to disclose; (b) is acquired by a receiving party from a third party which was not, to the receiving party's knowledge, under an obligation not to disclose such information; (c) which the receiving party can demonstrate was</li> </ul>	<p>In addition to the existing clause at 8.3.3 the following clauses (a) to (e) have been added.</p> <p>Confidential Information should not include information that: (a) is previously known to, or in the possession of, the receiving party without an obligation not to disclose; (b) is acquired by a receiving party from a third party which was not, to the receiving party's knowledge, under an obligation not to disclose such information; (c) which the receiving party can demonstrate was independently developed by or for the receiving party without reliance on</p>	

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				<p>independently developed by or for the receiving party without reliance on any Confidential Information of the other party; (d) becomes publicly known and made generally available, through no breach of the Contract; or (e) is disclosed pursuant to an order of any court of competent jurisdiction or any regulatory, judicial, governmental, or similar body or any taxation authority of competent jurisdiction requiring disclosure of the Confidential Information of the disclosing party, provided that, to the extent legally permitted, the receiving party shall promptly notify the disclosing party.</p> <ul style="list-style-type: none"> <li>• Additionally, in order to be compliant with any legal or tax orders, we request that we are allowed to retain the copies of the reports or deliverables submitted by us as evidence of the work completed by us under this Contract.</li> <li>• Any redistribution of deliverables (to any third party) should be subject to non-reliance letters or non- attribution, as this would protect us from risks of third- party claims based on reliance on our deliverables, which are prepared only for the Bank.</li> <li>• We would like to include a</li> </ul>	<p>any Confidential Information of the other party; (d) becomes publicly known and made generally available, through no breach of the Contract; or (e) is disclosed pursuant to an order of any court of competent jurisdiction or any regulatory, judicial, governmental, or similar body or any taxation authority of competent jurisdiction requiring disclosure of the Confidential Information of the disclosing party, provided that, to the extent legally permitted, the receiving party shall promptly notify the disclosing party.</p> <p>Further, it is clarified that:</p> <ul style="list-style-type: none"> <li>• The agency to be compliant with any legal or tax orders, may retain the copies of the reports or deliverables submitted by us as evidence of the work completed under this Contract.</li> <li>• Any redistribution of deliverables (to any third party) should be subject to non-reliance letters or non-attribution.</li> </ul>

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				provision for no publicity, that is, neither party will include the deliverables in any prospectus, proxy statement, offering memorandum or similar document or materials prepared for public distribution, nor make any public announcement or press release regarding the engagement or deliverables provided/ services performed without the prior written consent of the other party.		
30	39	8.3.4	Liability of the Consulting Agency	<ul style="list-style-type: none"> <li>We agree for each party's aggregate liability to be capped at fees paid for service/ deliverable that gave rise to the claim. We would also like to clarify that under no circumstances shall either party be liable to the other for any indirect, consequential, punitive, or other special damages.</li> </ul>	No change	
31	39	8.3.7	Accounting, Inspection and Auditing	<ul style="list-style-type: none"> <li>While we agree to the Bank's right to audit, we would like to clarify that we will maintain the records for the purpose of Bank assessing our compliance with the terms of the Contract. The Bank's internal or external auditors may audit, copy and inspect the records at reasonable times and upon reasonable notice; provided, however, that such auditors shall not be our competitors and all such auditors are instructed by the Bank</li> </ul>	Please refer to <b>S.No. 28</b> of this document.	

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				to maintain the confidentiality of the information gathered consistent with the terms contained in the Contract. Further, nothing shall obligate us to disclose any documents or other materials relating to the profitability or internal profit and loss/ balance sheets associated with our business, payroll information, or information or material that constitute, in our opinion, legally privileged documents or information that we are bound to maintain as confidential by written obligation to a third party.	
32	8; 40; 50	3.10; 8.3.10; 8.12	Proposal Ownership/ Documents prepared by the Consulting Agency/ Warranty	<ul style="list-style-type: none"> <li>• We agree to provide the Bank the IP of the final deliverables that are shared with the Bank.</li> <li>• In the event any of our proprietary products or third- party materials are used for the deliverables or Services, the terms and any licensing restrictions thereof shall be shared with the Bank for compliance. The proprietary rights to digital deliverables, if any, shall be mutually discussed.</li> </ul>	No change. The terms and conditions of IPR and warranties will remain same.
33	45; 48	8.6; 8.11	Indemnification	<ul style="list-style-type: none"> <li>• We agree to indemnifying only for losses that arise from third party claims for intellectual property rights' infringement (except patents which are not applicable to the</li> </ul>	No change.



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				scope of work). All direct claims or any other third- party claims can and should be litigated (or otherwise resolved) between the parties via the courts or other agreed processes.			
34	44	8.5.3	Terms and conditions for payment	<ul style="list-style-type: none"> <li>As per our standard terms, we would like to add the clause on interest on late payment. "Consulting Agency will impose a 1.5% per month late payment fee for invoices that remain unsettled after 30 days from raising the invoice." Request you to accept the same.</li> </ul>	No change.		
35	72	Annexure- XIII	Fall Clause and Facilitation of Investigation	<ul style="list-style-type: none"> <li>We would like to delete the Fall Clause since the services we provide are personal to each of our clients and the fees paid for them are equally personal.</li> <li>In any examination, nothing shall obligate us to disclose any documents or other material relating to the profitability or internal profit and loss/balance sheets associated with our business, payroll information, or information or material that constitute, in our opinion, legally privileged documents or information that we are bound to maintain as confidential by written obligation to a third party.</li> </ul>	No change.		

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36	N/A	N/A	N/A	<ul style="list-style-type: none"> <li>We would like to propose the inclusion of the following clarification that the Bank shall be responsible for obtaining its own legal, regulatory, tax and accounting advice concerning laws, regulations, agreements and other legal, accounting or tax issues which affect the advice given by us to Bank.</li> </ul>	It is the duty of the bidder to analyse the legal framework, regulatory framework, tax and accounting guidelines etc. for giving any advice to the Bank.
37	pg 19	Clause 6.2 Scope of work:	Prepare and implement Risk Assessment & Monitoring Framework for NBFC portfolio which includes policy document, operating manuals, data collection mechanism, defining of various triggers based on data, etc. Policy document to include possible options and approaches to be created for the new framework for approval of competent authority	Request SIDBI to confirm if all the existing policy documents, risk assessment framework, operating manuals, etc. will be shared with the selected consultant	The proposed Risk Assessment & Monitoring Framework for NBFC portfolio in such a holistic manner is being prepared for the first time. However, what-ever existing relevant document/ information is available, the same could be shared with the successful bidder.
38	pg 19	Clause 6.2 Scope of work:	Identifying and sampling/baselining of at least 100 NBFC- ICCs [Investment & Credit Companies] based on their Asset, Liability and market data [Sample distribution: 5 AAA, 10 AA, 20 A, 20 BBB, 20 BB/B and 10 Unrated, 10 NBFC-MFI (BBB & Below) and 5 fintech NBFCs]. Fintech NBFCs should be substantially digitally enabled NBFC from inception and engaged in extending business/ MSE loans. Further, the above sample may also include 2-3 Housing Finance Companies [HFCs] and 2-3 Gold Loan Companies.	<ul style="list-style-type: none"> <li>Request SIDBI team to please clarify if there is any lower or upper limit on the portfolio/ book size of the NBFC</li> <li>Request SIDBI team to clarify if there needs to be a criterial for loan portfolio mix for identifying MSME centric NBFC</li> </ul>	The NBFC portfolio mix shall be decided by SIDBI in consultation with the successful bidder.

S.No.	Page/ Section of RFP	Clause No of RFP	Clause Description	Query	Reviewed SIDBI Response / Clarification
39	pg 19	Clause 6.2 Scope of work:	Build investment framework for equity support to NBFCs, which shall include equity/equity type instruments to be used, investment assessment methodology and divestment strategies.	Currently our understanding is that the consultant has to deliver a standard operating document (SOP) for evaluating equity investment in an NBFC.  Request SIDBI to clarify if the understanding is correct.	Agency is expected to build investment framework for equity support to NBFCs, which shall include equity/equity type instruments to be used, investment assessment methodology and divestment strategies, which shall interalia include the SoP.
40	pg 20	Clause 6.2 Scope of work:	Explore fitment of existing initiatives (e.g. Pilot on blockchain technology for portfolio visibility, NBFC in Box Tool kit etc).	SIDBI team to clarify if technology audit is required for this. Furthermore, can the selected consultant on-board external vendor for the same.	The agency may engage services of external vendors, if required. However no separate payment will be made by SIDBI for the same.  However, the license fee / subscription fee for any tool, etc. will be borne by SIDBI.
41	pg 20	Clause 6.2 Scope of work:	Pilot with atleast 5 NBFCs in each rating category (which shall be finalised in consultation with the Bank) using the seamless and end to end digital journey developed. Hands on training / workshops for SIDBI officials / Knowledge transfer (under train the trainer model) with training material (approx.15-20 nos).	Request SIDBI team to kindly elaborate the point on pilot study for NBFC for end-to-end digital journey, as we understand that this is currently only for digital dashboard for risk monitoring as mentioned in point number 15 of the scope.	Please be guided by the Scope of Work / Deliverables of the RfP.  Further, this is modified as under:  Pilot with atleast 5 NBFCs in each rating category (which shall be finalised in consultation with the Bank).  Further, it is mentioned that the consultant is expected to prepare and implement digitized risk framework, which shall interalia include digital dashboard, digitised credit underwriting / risk management etc. Hands on training / workshops for SIDBI officials / Knowledge transfer

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					(under train the trainer model) with training material (approx.15-20 nos).
42	pg 20	Clause 6.2 Scope of work:	Build fully automated digital dashboard for risk monitoring and risk management	SIDBI team to clarify that does fully automated digital dashboard mean on-demand (cloud based) system or on-premises software (in-house).	Please be guided by clause 6.2.viii and Deliverables of the RfP. Consultant to advice, develop and implement, in consultation with SIDBI, a fully automated digital dashboard. <b>[In-house]</b>
43	pg 25	Evaluation of Eligibility Criteria and Technical Bids:	Annual revenue of the bidder: The average of annual revenue (best of three in the five financial years starting from FY2018) of the bidder - Minimum - Rs. 125 crore Revenues refer to revenues that the bidder has earned as advisory fees in India on topics such as strategy / operations / sales / performance/ transformation /turnaround/ organization design/ digital transformation/ framework design & implementation.	Please note that we follow the calendar year for reporting annual revenues and shall accordingly provide revenue details for CY17 to CY2021	Modified clause given at <b>Appendix-I</b> .
44	pg 27	Evaluation of Eligibility Criteria and Technical Bids:	Domain Expert – 2 (Data Scientist) Educational Qualification- • B.Tech/B.E./M.Tech/M.E. in Computer Science / IT/Data Science/Machine Learning and AI (Minimum 60% marks compulsory in B.Tech / B.E.) from AICTE/UGC recognized university.	Request SIDBI to also consider degree in Statistics	Please refer to <b>Appendix-I</b> of this document.
45	pg 27	Evaluation of Eligibility Criteria and Technical Bids	Assessment by Evaluation Committee based on the presentation and interaction during the presentation to the Evaluation Committee	SIDBI team to clarify if the presentation is to be submitted with Bid document.	It is not compulsory to submit the presentation along with bid documents. It may be submitted along with bid or at the time of technical evaluation when the bidder is advised

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					to make presentation to the evaluation committee. In such case, final copy of presentation to be shared at <a href="mailto:erdav@sidbi.in">erdav@sidbi.in</a> immediately after making actual presentation to SIDBI evaluation committee.
46	pg 8	Clause 3.8.2;	The Recipient/ Respondent ceases to have any option to object against any of these processes at any stage subsequent to submission of its responses to this RfP.	Request clause to be deleted. In case of any of any arbitrary or unreasonable action, SIDBI cannot absolve its liability.	No change.
47	pg 8	Clause 3.10;	Proposal ownership: All the submissions, including any accompanying documents, will become property of the Bank. The Bidders shall be deemed to license, and grant all rights to the Bank, to reproduce the whole or any portion of their Bid document for the purpose of evaluation and to disclose the contents of submission for regulatory and legal requirements.	The documents submitted as part of the bid would be under a separate requirement of confidentiality.	Due confidentiality shall be maintained for documents submitted by each bidder in response to the RfP.
48	pg 36	Clause 8.2.8;	Suspension: The SIDBI may, by written notice of suspension to the Consulting Agency, suspend all payments to the Consulting Agency hereunder if the Consulting Agency fail to perform any of their obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consulting Agency to remedy	Request SIDBI to allow for a remedial period of 15 days prior to written notice of suspension	Clause 8.2.8 removed.

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			such failure within a period not exceeding thirty (30) days after receipt by the Consulting Agency of such notice of suspension.		
49	pg 39	Clause 8.3.4;	The Consulting Agency's liability under this Contract shall be as provided by the Applicable Law. Under no circumstances will Consulting Agency's and SIDBI aggregate liability to other Party for any and all claims, including third party claims, or losses arising from or in connection with or relating to the Contract, whether in contract (including under an indemnity), tort (including negligence), strict liability, statute or otherwise, exceed an amount equal to the fees paid by SIDBI to Consulting Agency for the Service or Deliverable that gave rise to the claim.	Request the below inclusion: In no event will Consultant be liable for any consequential, incidental, indirect, punitive or special losses or damages (including loss of profits, data, anticipated savings, business or goodwill), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages	No change.
50	pg 45	Clause 8.5.4 sub-clause a;	If the selected bidder fails to complete the project within stipulated time, SIDBI will impose a penalty of 0.5% of the order value for each week's delay or part thereof attributable to the bidder, subject to maximum of 10% of the order value. Fraction of week is to be construed as one full week for arriving at the delay in terms of weeks.	Request SIDBI to consider reducing the maximum penalty from 10% to 5%	No change.
51	pg 46	Clause 8.6.1	The Agency shall indemnify, hold and save harmless and defend at its own expenses the SIDBI and its personnel	Request SIDBI to limit the indemnity for negligence, willful misconduct, fraud, breach of applicable law,	No change.

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			from and against all suits, claims, demands and liability of any nature whatsoever, including without limitations, costs And expenses arising out of acts Or omissions of the Consulting Agency, its employees and/or agents caused by or resulting from any operations(s) conducted by or on behalf of the Consulting Agency	infringement of intellectual property. Open indemnity is too subjective			
52	pg 47	Clause 8.9.3.1 sub-clause b;	In case of Dispute or difference arising between the Bank and a Bidder relating to any matter arising out of or connected with this agreement, such disputes or difference shall be settled in accordance with the Arbitration and Conciliation Act, 1996. The Arbitrators shall be chosen by mutual discussion between the Bank and the Bidder OR in case of disagreement each party may appoint an arbitrator and such arbitrators may appoint an Umpire before entering on the reference. The decision of the Umpire shall be final.	In case of disagreement on the arbitrator, the arbitrator shall be appointed as per Section 11, Arbitration and Conciliation Act.	No change.		
53	pg 49	Clause 8.11.3	The bidder shall indemnify and hold the SIDBI harmless against and from any claim which arises out of or in relation to the Consulting Agency's performance of the Services	Request SIDBI to limit the indemnity for negligence, willful misconduct, fraud, breach of applicable law, infringement of intellectual property.	No change.		
54	pg 64	Annexure VIII – NDA		Request following inclusion: Provided that the obligations under this NDA shall not apply to information: - which is publicly available;	We agree that NDA shall not apply to - which is publicly available; -required to be disclosed as per law, judicial order or order from regulatory authority.		

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				-independently developed -received from an external source -required to be disclosed as per law, judicial order or order from regulatory authority.	
55	pg 4	Last date of bid submission	Jan 20, 2023 by 11:00am - Only E-bids (over email) to be furnished. No physical bids shall be entertained.	Request SIDBI to provide 2 working weeks post the formal issue of pre-bid clarifications for the bid submission	Please refer to <b>Appendix-I</b> .
56	8	3.8.3	All claims for functional / technical delivery made by the bidders in their responses to the RfP shall be assumed as deliverable, within the quoted financials.	Fees incurred for services availed from external agencies through tie ups or vendor on boarding for developing digitized platforms will be borne by the Bank. Please confirm, if our understanding is correct.	Please be guided by clause 6.2.viii of the RfP.  The agency may engage services of external vendors, if required. However no separate payment will be made by SIDBI for the same.  However, the license fee / subscription fee for any tool, etc. will be borne by SIDBI.
57	19	6.2 (viii)	Design and prepare the Business Requirement Document (BRD) and Functional Requirement Document, specifying granular digital processes and IT/ digital requirements for implementation of the new framework for seamless and end to end digitised Risk Framework, either on existing IT systems of SIDBI or using new external applications. Prepare RFPs in case external vendors are required to be onboarded.	Design means the agency has to prepare BRDs and FRDs mentioning the processes and wireframes of the monitoring framework. Please confirm, if our understanding is correct.	The clause is modified as under:  Design and prepare the Business Requirement Document (BRD) and Functional Requirement Document, specifying granular digital processes and IT/ digital requirements for implementation of the new framework for digitised Risk Framework, either on existing IT systems of SIDBI or using new external applications. Prepare RFPs in case external vendors are required to be onboarded.



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					<p>The agency has to prepare BRDs and FRDs mentioning the processes and wireframes of the monitoring framework.</p> <p>Further, please refer to document <b>Appendix - II</b> for better understanding of Current Workflow, Scope of Work, Deliverables, etc.</p>
58	20	6.2 (x)	Explore fitment of existing initiatives (e.g. Pilot on blockchain technology for portfolio visibility, NBFC in Box Tool kit etc)	Please share details of all the existing initiatives to assess the efforts required for the activity.	Further, please refer to document <b>Appendix - II</b> for better understanding of Current Workflow, Scope of Work, Deliverables, etc.
59	20	6.2 (xi)	Pilot with atleast 5 NBFCs in each rating category (which shall be finalised in consultation with the Bank) using the seamless and end to end digital journey developed. Hands on training / workshops for SIDBI officials / Knowledge transfer (under train the trainer model) with training material (approx.15-20 nos)	Pilot run to be done using 5 NBFCs from each category on the <b>new FRAMEWORK</b> but not on system to be developed. Please confirm, if our understanding is correct.	Pilot run would be on the system developed based on the framework.
60	20	6.2 (xv)	Build fully automated digital dashboard for risk monitoring and risk management	If external tools/ platforms like Power BI/ Tableau etc are required for dashboard development, applicable costs for license shall be borne by SIDBI. Please confirm, if our understanding is correct.	<p>Please be guided by clause 6.2.viii and Deliverables of the RfP.</p> <p>The license fee / subscription fee for external tools/ platforms like Power BI/ Tableau etc. will be borne by SIDBI.</p>
61	21	6.3.1.12 (Phase 1)	Explore/engage external vendors for developing above digitised risk framework (including preparation of RfPs)	For systems development, floating of RFPs, vendor selection, onboarding and system implementation will be out of the purview of the proposed 6 month timeline. Please confirm, if our understanding is correct.	It is expected that the agency shall deliver outcomes which shall interalia include the systems development, floating of RFPs, vendor selection, onboarding and system implementation etc., within the maximum period of 6 months.

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62	21	6.3.1.1 (Phase 2)	Implement framework including document, operating manuals, defining triggers based on data, etc. and review thereof	Agency to develop excel based credit rating models as a part of risk assessment which Bank will implement on existing or new platforms such as R, Python etc. Please confirm, if our understanding is correct.	Please be guided by the Scope of Work / Deliverables of the RfP.
63	26	7.5.5		<b>Education qualification:</b> While the Bank has specified certain Masters' degree and Bachelor degrees holders eligible as project team members. With reference to UGC public notice (D.NO:9-35/2016 (CPP-II)) dated 15th April 2021, CA/CS/ICWA will be treated equivalent to Masters degree. Thus, CA professional candidates will also qualify basis the requirement. Please confirm.	Please refer to <b>Appendix-I</b> .
64	26	7.5.5		<b>Professional qualification:</b> Apart from FRM and PRM certifications, CFA certified candidates shall also be considered and equally scored. Please confirm.	Please refer to <b>Appendix-I</b> .
65	27	7.5.5		<b>Data science certification:</b> Whether online certifications from Udemy, Coursera etc will be equally scored?	Please be guided by the qualifications as per RfP. It is reiterated that degree/ diploma / certifications from recognised University/ college / reputed institutions shall be considered. Online certifications will not be considered for the purpose.
66	37	8.2.9.2	By the Consulting Agency The Consulting Agency may, by not less than thirty (30) days' written notice to the SIDBI, such notice to be	<b>Request to update clause in the RFP:</b> The consultant may terminate this Agreement, or any particular Services, immediately upon written	No change.

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			given after the occurrence of any of the events specified in paragraphs (a) and (b) of this Clause 8.2.9.2, terminate this Contract: a. if the SIDBI fails to pay any money due to the Consulting Agency pursuant to this Contract and not subject to dispute pursuant to Clause 8 hereof within sixty days (60) days after receiving written notice from the Consulting Agency that such payment is overdue; b. if the SIDBI fails to comply with any final decision reached as a result of arbitration pursuant to Clause 8 hereof	notice to Client if the consultant reasonably determine that the consultant can no longer provide the Services in accordance with applicable law or professional obligations		
67	39	8.3.4	Liability of the Consulting Agency The Consulting Agency's liability under this Contract shall be as provided by the Applicable Law. Under no circumstances will Consulting Agency's and SIDBI aggregate liability to other Party for any and all claims, including third party claims, or losses arising from or in connection with or relating to the Contract, whether in contract (including under an indemnity), tort (including negligence), strict liability, statute or otherwise, exceed an amount equal to the fees paid by SIDBI to Consulting Agency for the Service or Deliverable that gave rise to the claim	<b>Request to update clause in the RFP:</b> SIDBI shall not recover from the Consulting Agency, in contract or tort, under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated.  SIDBI shall not recover from the Consulting Agency, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services	No change.	

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				that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services.	
68	39	8.3.5		<b>Request to update clause in the RFP:</b> The RFP is silent about what insurance needs to be taken by the consulting agency. The consultant will be able to only get professional indemnity insurance that covers our professional liability up to an appropriate level sufficient for the purposes of this engagement. Since, the professional indemnity insurance policy is confidential, the terms of the policy shall not be disclosed	No change.
69	40	8.3.7	Accounting, Inspection and Auditing The Consulting Agency (i) shall keep accurate and systematic accounts and records in respect of the Services, in such form and detail as will clearly identify all relevant time charges and cost, and the bases thereof; and (ii) shall permit the SIDBI or its designated representative periodically, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the SIDBI	<b>Request to update clause in the RFP:</b> 'The clause should be further clarified as follows: "Notwithstanding the above any audit conducted shall be restricted to the physical files in relation to this Agreement only and shall be subject to SIDBI agreeing to maintain confidentiality of these documents. No access to the Consulting Agency's systems or hands on or intrusive testing will be permitted. Any third parties employed by the SIDBI to conduct such audit shall not be a competitor of the Consulting Agency and shall agree to confidential obligations with the Consulting Agency."	No change. Pl. also see Sl. No. 28 above.

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70	43	8.5.1	Lumpsum remuneration The agency's total remuneration shall not exceed the Contract Price and shall be a fixed lump sum including all staff costs, sub consultants costs, printing, communications, travel, accommodation and the like, and all other costs incurred by the Consulting Agency in carrying out the Services described in Clause No 6	Can agency personnel work from offsite on this engagement? If not, what is the preferred onsite location (Mumbai or Lucknow)?  In case of offsite/hybrid work structure, team will be available for key meetings and workshops. Please confirm, if our understanding is correct.	The agency personnel should work onsite. Preferred onsite location is Mumbai.
71	<b>Additional clause to be added</b>			<b>New clause to be added for reports to third parties:</b> Client may not disclose any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement ("Reports") or any portion or summary of a Report or refer to consultant or to any other consultant firm or personnel in the firm in connection with the Services to any third party except with the consultant's prior written consent."	Due confidentiality shall be maintained for documents submitted by each bidder in response to the RfP.
72	4	5	Last date for submission of bids  January 20, 2023 Only E- bids (over email) to be furnished. No physical bids shall be entertained	Considering the scope and scale of RFP we would request bank to extend the submission date to February 03, 2023	Please refer to <b>Appendix-I</b> .
73	4	5	Last date for submission of bids  January 20, 2023 Only E- bids (over email) to be	The bid is required to be submitted on email or using a submission portal	The bid required to submitted by email at <a href="mailto:erdav@sidbi.in">erdav@sidbi.in</a>

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			furnished. No physical bids shall be entertained		
74	13	4.1	Other Documents (to be submitted along with accepted letter of intent issued by SIDBI)	Please if the Bank can clarify whether the following documents are submitted with accepted letter of intent issued by SIDBI - Non-Disclosure Agreement - Bank Mandate Form - Performance Bank Guarantee	Please refer to sl no. 2 above.
75	19	6.2. iii	Create Swim Lane based credit and risk framework (including rating models and credit appraisal/ data driven decisioning) for channelising assistance to different category of NBFCs through various products including Term Loans, Securitisation, assignment, Co-lending, etc. Design credit appraisal formats for different categories of NBFCs. Prepare robust mechanism for risk assessment of smaller and emerging NBFCs which are low rated or unrated entities. Propose limit setting process, exposure limits, pricing, risk appetite statement, capital allocation and provisions.	The Bank has requested for creation of risk assessment framework for different type / categories of NBFCs. Does the Bank currently have classified the unique types of NBFCs for which risk assessment framework to be developed	Please be guided by the Scope of Work / Deliverables of the RfP. The NBFC portfolio mix shall be decided by SIDBI in consultation with the successful bidder.  Further, please refer to document <b>Appendix - II</b> for better understanding of Current Workflow, Scope of Work, Deliverables, etc.
76	19	6.2. iv	Build investment framework for equity support to NBFCs, which shall include equity/equity type instruments to be used, investment assessment methodology and divestment strategies.	The Bank to clarify on the point whether they are looking for advisory also on the different types/structures of equity investments options for investments in NBFCs	Please refer to sl no. 39 above.
77	19	6.2.vii	End use monitoring has to cover the possible proxies that may be considered for compliance with	Requesting Bank to clarify 'possible proxies' in this point	The Consultant to advise the suitable proxies for identifying an end-beneficiary as an MSME, in the

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			MSME mandate of SIDBI, in the absence of Udyam Registration Certificate.	Additionally, is this requirement for current portfolio or for the portfolio which is newly to be built?	absence of Udyam Registration Certificate.
78	19	6.2. viii	Design and prepare the Business Requirement Document (BRD) and Functional Requirement Document, specifying granular digital processes and IT/ digital requirements for implementation of the new framework for seamless and end to end digitised Risk Framework, either on existing IT systems of SIDBI or using new external applications. Prepare RFPs in case external vendors are required to be onboarded.	<p>Is the Bank looking only for development of RFP, BRD and FSD for development/selection of end to end digitised Risk Framework or the bank also required implementation support for the framework ?</p> <p>In case of RFP, does the Bank require assistance in selection of external vendors ?</p>	<p>Please be guided by the Scope of Work / Deliverables of the RfP.</p> <p>The agency is required to help in creating - Design and prepare the Business Requirement Document (BRD) and Functional Requirement Document, specifying granular digital processes and IT/ digital requirements for implementation of the new framework for digitised Risk Framework, either on existing IT systems of SIDBI or using new external applications. Prepare RFPs in case external vendors are required to be onboarded.</p>
79	19	6.2.viii	Design and prepare the Business Requirement Document (BRD) and Functional Requirement Document, specifying granular digital processes and IT/ digital requirements for implementation of the new framework for seamless and end to end digitised Risk Framework, either on existing IT systems of SIDBI or using new external applications. Prepare RFPs in case external vendors are required to be onboarded.	Bank to share, what is the level of digitalization in the current process?	<p>Relevant information shall be shared with the Successful Bidder.</p> <p>Further, please refer to document <b>Appendix - II</b> for better understanding of Current Workflow, Scope of Work, Deliverables, etc.</p>

S.No.	Page/ Section of RFP	Clause No of RFP	Clause Description	Query	Reviewed SIDBI Response / Clarification
80	19	6.2. Xiii	Review of existing Early Warning System (EWS) (including data sources, flow of alerts, logic of alerts, frequency of alerts, categorization of alerts) and suggest improvement on all aspects to make it a comprehensive and effective/practical single point monitoring mechanism.	<p>Considering that SIDBI already has a live EWS System, requesting bank to clarify on the below points:</p> <p>1. When was the existing EWS system made live?</p> <p>2. How many triggers are currently made live in the system? How many of them are specific to NBFC portfolio and not applicable to NBFC portfolio?</p> <p>3. What is the period for which historical back end data for computation of triggers is available? Are the historical EWS outputs available for analysis?</p> <p>4. Roughly, what is the size of the NBFC portfolio for which EWS is applicable currently?</p> <p>5. What is the current threshold defined for applicability of the EWS system? Are there any plans to modify the limit to a lower threshold level?</p> <p>6. How are EWS triggers evaluated for NBFC's, is it at individual parameter level or a combined scoring model? Is any RAG rating done on EWS output?</p>	<p>Relevant information shall be shared with the Successful Bidder.</p> <p>Further, please refer to document <b>Appendix - II</b> for better understanding of Current Workflow, Scope of Work, Deliverables, etc.</p>



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				7.When was the last back testing activity carried out for the current EWS model used by the bank?	
81	19	6.2.ix	Tie-ups with external agencies to get the desired data and going forward periodical data required for monitoring purpose.	Bank to elaborate what are the desired data they are looking for from the external agencies	Consultant shall advise on the sources and the data points which may interalia include demographic data, credit data, digital payment tools being utilised etc.
82	19	6.2. x	Explore fitment of existing initiatives (e.g. Pilot on blockchain technology for portfolio visibility, NBFC in Box Tool kit etc.).	Please if the Bank can elaborate on the requirement	For assistance to NBFCs, their receivables are hypothecated to SIDBI. SIDBI would like to have visibility of receivables hypothecated to SIDBI and its performance.  Further, please refer to document <b>Appendix - II</b> for better understanding
83	19	6.2. xi	Pilot with atleast 5 NBFCs in each rating category (which shall be finalised in consultation with the Bank) using the seamless and end to end digital journey developed. Hands on training / workshops for SIDBI officials / Knowledge transfer (under train the trainer model) with training material (approx.15-20 nos).	Please if the Bank can elaborate on the requirement of digital journey development.  Has the bank selected vendor for digital journey development or the digital journey will be developed internally using consultants assistance?	Please be guided by the Scope of Work / Deliverables of the RfP.  Further, it is clarified as under:  Pilot with atleast 5 NBFCs in each rating category (which shall be finalised in consultation with the Bank). Hands on training / workshops for SIDBI officials / Knowledge transfer (under train the trainer model) with training material (approx.15-20 nos).  Further, it is mentioned that the consultant is expected to prepare and implement digitized risk framework, which shall interalia include digital dashboard, digitised credit underwriting / risk management, etc.

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84	19	6.2. Xii	Build a scale up plan for various NBFCs segments, geographies, product lines, etc. including manpower / resources required for scale up business plan.	Please if the Bank can elaborate on the requirement	Please be guided by the Scope of Work / Deliverables of the RfP.
85	19	6.2.xv	Build fully automated digital dashboard for risk monitoring and risk management.	Does the Bank require consultant to develop the digital dashboard ? If yes, is there any predefined solution that the Bank requires the consultant to use ?	Please be guided by the Scope of Work / Deliverables of the RfP. Consultant to advise, develop and implement, in consultation with SIDBI, a fully automated digital dashboard.
86	22	Phase 2	Pilot with atleast 5 NBFCs in each rating category using the seamless and end to end digital journey developed.	Bank to elaborate if currently there is any system or partially automated workflows in place	Relevant information shall be shared with the Successful Bidder.
87	19	6.2(ii)		Para mentions identification of 100 NBFC- ICCs based on ratings, asset liabilities and market data etc. The query is will SIDBI identify these NBFCs from its portfolio or the bidder has to do this?	Please be guided by the Scope of Work / Deliverables of the RfP. The NBFC portfolio mix shall be decided by SIDBI in consultation with the successful bidder.
88	19	6.2(ii)		Is the scope limited to NBFC -ICCs? Point 6.2 (iii) mentions creation of Risk framework for different types of NBFCs.	Please be guided by clause 6.2.ii. of the RfP.
89				to kindly provide additional time of about 10 days i.e. till January 30, 2023 for submission of the bid as we need to complete internal approval process for Bid submission which may take some time	Please refer to <b>Appendix-I</b> .

Appendix-I

Sl. No.	Page/ Section of RFP	Clause No of RFP	Existing Clause	Revised Modified Clause
1	4	Critical Information	5. Last date for submission of Bids - Date: January 20, 2023; Time -1100 Hrs	Last date for submission of Bids - Date: February 06, 2023; Time -1100 Hrs
2	4	Critical Information	7. Date & Time of Opening of Eligibility Criteria & Technical bid Date: January 20, 2023; Time -1130 Hrs	Date & Time of Opening of Eligibility Criteria & Technical bid-Date: February 06, 2023; Time-1130 Hrs Bid opening will be through Microsoft Teams (online) and the link for the same will be shared through email.
3	25	7.5.5	<p>The average of annual revenue (best of three in the five financial years starting from FY2018) of the bidder - <b>Minimum – Rs. 125 crore</b></p> <p><i>Revenues refer to revenues that the bidder has earned as advisory fees in India on topics such as strategy / operations / sales / performance/ transformation / turnaround / organization design/digital transformation/ framework design &amp; implementation.</i></p>	<p>The average of annual revenue (best of three in the five financial years starting from FY2018<sup>1</sup>) of the bidder - <b>Minimum – Rs. 125 crore</b></p> <p><i>Revenues refer to revenues that the bidder has earned as advisory fees in India on topics such as strategy / operations / sales / performance/ transformation / turnaround / organization design/digital transformation/ framework design &amp; implementation.</i></p> <p><b>Bidder may highlight relevant paras in the Audited Financial Statements wherein advisory fees are mentioned separately.</b></p> <p><b>In case of non-availability of bifurcation of fees (advisory fee and others) in the Audited Financial Statements Certificate from practising Chartered Accountant (with UDIN) stating revenues from advisory fees in relevant financial years may be furnished.</b></p> <p>1- Companies following Calendar Year as a financial year may kindly can submit their statements from CY2017 onwards.</p> <p>Save and except above, scoring parameter remains unchanged.</p>

4	25	7.5.5	<p><b>Evaluation Parameter:</b> Experience in providing management consultancy services / implementation of frameworks / strategies, in the <b>last 5 years</b>, at Indian Banks having loan portfolio size of more than ₹3,00,000 crore and having an NBFC loan portfolio size of more than ₹10,000 crore, for a minimum tenure of 3 months, in the areas of implementation of similar NBFC risk assessment and monitoring framework (Credit Risk Management System, Integrated Risk Management, Basel II / III) - <b>Minimum – One completed eligible assignment.</b></p> <p><b>5 years</b> will be counted from date of completion of Assignment.</p>	<p><b>Evaluation Parameter:</b> Experience in providing management consultancy services / implementation of frameworks / strategies, in the <b>last 5 years</b>, at Indian Banks having loan portfolio size of more than ₹2,00,000 crore and having an NBFC loan portfolio size of more than ₹5,000 crore or NBFCs (excluding HFCs) having portfolio of ₹10,000 crore, for a minimum tenure of 3 months, in the areas of implementation of NBFC risk assessment and monitoring framework or Credit Risk Management System/Integrated Risk Management - <b>Minimum – One completed eligible assignment.</b></p> <p><b>5 years</b> will be counted from date of completion of Assignment.</p>
5	26	7.5.5	<p><b>Eligibility criteria &amp; Technical Bids Project Head (Head-Risk Analyst)</b></p> <ul style="list-style-type: none"> <li>✓ Experience as Project Head in providing / implementing risk assessment / monitoring framework for financial institutions.</li> <li>✓ Minimum experience of 10 years in the field of risk assessment / monitoring framework for lending to banks/NBFCs/MFIs.</li> <li>✓ Educational qualification- <ul style="list-style-type: none"> <li>- MBA/MMS/MS/PGDM in Finance/ MSc Risk Management / MSc (Maths /Statistics/ Economics) / MA (Maths /Statistics/ Economics) or BE/BTech with professional qualifications viz. Financial Risk Manager (FRM) or Professional Risk Manager (PRM) etc. Global Association of Risk Professional (GARP) certification in Financial Risk Manager.</li> </ul> </li> </ul> <p><b>Scoring Methodology:</b> CV should cover</p> <ul style="list-style-type: none"> <li>✓ Educational Background and overall experience in the field of risk assessment / monitoring framework. (Educational Qualification: 5 marks and Certification in Financial Risk Management – 3 marks.)</li> <li>✓ Experience of relevant engagements in detail (max 15 marks - 3 marks for each completed relevant assignment)</li> <li>✓ Experience in India – 2 marks;</li> </ul>	<p><b>Eligibility criteria &amp; Technical Bids Project Head</b></p> <ul style="list-style-type: none"> <li>✓ Experience as Project Head in providing / implementing risk assessment / monitoring framework for financial institutions.</li> <li>✓ Minimum experience of <b>15 years in BFSI sector</b> for lending to banks/NBFCs/MFIs.</li> <li>✓ Educational qualification- <ul style="list-style-type: none"> <li>MBA / MMS / MS/PGDM in Finance/ MSc Risk Management / MSc (Maths /Statistics/ Economics) / MA (Maths /Statistics/ Economics) / BE/BTech /<b>Chartered Accountant (CA) /Chartered Financial Analysts (CFA)</b></li> </ul> </li> </ul> <p><b>Scoring Methodology:</b> (22 marks) CV should cover</p> <ul style="list-style-type: none"> <li>✓ Educational Background and overall experience <b>in BFSI sector/</b> in the field of risk assessment / monitoring framework. (Educational Qualification: Till 'Post Graduation' - '0' marks; beyond 'Post Graduation' - '2' marks.)</li> </ul>

			Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.	<ul style="list-style-type: none"> <li>✓ Experience of relevant engagements in detail (max 15 marks - 3 marks for each completed relevant assignment)</li> <li>✓ Experience in India – max 5 marks (for experience of 15-16 years - 2 mark; &gt;16 upto 18 years - 3 marks; &gt;18 upto 20 years - 4 marks; &gt; 20 years-5 marks).</li> </ul> <p>Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.</p>
6	27	7.5.5	<p><b>Eligibility criteria &amp; Technical Bids</b>  <b>Junior Risk Analyst</b></p> <ul style="list-style-type: none"> <li>✓ Experience in the field of risk assessment / monitoring framework.</li> <li>✓ Minimum experience of 5 years in field of risk assessment / monitoring framework.</li> <li>✓ Educational qualification-  -MBA/MMS/MS/PGDM in Finance/ MSc Risk Management / MSc (Maths /Statistics/ Economics) / MA (Maths /Statistics/ Economics) or BE/BTech with professional qualifications viz. Financial Risk Manager (FRM) or Professional Risk Manager (PRM), GARP etc.</li> </ul> <p><b>Scoring Methodology:</b>  CV should cover</p> <ul style="list-style-type: none"> <li>✓ Educational Background and overall experience including in the field of risk assessment / monitoring framework. (Educational Qualification – 2 marks; 2 marks for professional certifications)</li> <li>✓ Experience of relevant engagements viz., credit risk in institutional exposures, in detail. (max 6 marks - 2 marks for each completed relevant assignment)</li> </ul> <p>Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.</p>	<p><b>Eligibility criteria &amp; Technical Bids</b>  <b>(A- Risk Analyst)</b></p> <ul style="list-style-type: none"> <li>✓ Experience in the field of risk assessment / monitoring framework.</li> <li>✓ Minimum experience of <b>10 years</b> in field of risk assessment / monitoring framework.</li> <li>✓ Educational qualification-  -MBA/MMS/MS/PGDM in Finance/ MSc Risk Management / MSc (Maths /Statistics/ Economics) / MA (Maths /Statistics/ Economics) / BE/BTech / <b>Chartered Accountant (CA)</b> with professional qualifications viz. Financial Risk Manager (FRM) or Professional Risk Manager (PRM), GARP, <b>Chartered Financial Analysts (CFA)</b> etc.</li> </ul> <p><b>Scoring Methodology: (13 marks)</b>  CV should cover</p> <ul style="list-style-type: none"> <li>✓ <b>Educational Background and overall experience including in the field of risk assessment / monitoring framework. (2 marks for professional certifications)</b></li> <li>✓ <b>Experience of relevant engagements viz., credit risk in institutional exposures, in detail. (max 9 marks - 3 marks for each completed relevant assignment)</b></li> <li>✓ <b>Experience in India – max 2 marks (for experience of 10-12 years - 1 mark; more than 12 years – 2 marks);</b></li> </ul> <p>Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.</p>
7	27	7.5.5	<p><b>Eligibility criteria &amp; Technical Bids</b>  <b>Data Scientist</b></p>	<p><b>Eligibility criteria &amp; Technical Bids</b>  <b>(B-Data Scientist)</b></p>

		<p>Domain expert with</p> <ul style="list-style-type: none"> <li>✓ Minimum 5 years of work Experience in IT / Data Science in BFSI sector out of which minimum 1 year experience as a Data Scientist</li> <li>✓ Educational Qualification- <ul style="list-style-type: none"> <li>- B.Tech/B.E./M.Tech/M.E. in Computer Science / IT/Data Science/Machine Learning and AI (Minimum 60% marks compulsory in B.Tech / B.E.) from AICTE/UGC recognized university.</li> </ul> </li> <li>✓ Professional certifications including Certified Data Scientist from reputed institutions.</li> </ul> <p>Scoring Methodology: CV should cover</p> <ul style="list-style-type: none"> <li>✓ Educational Background and overall experience including in the field of IT / Data Science. (Educational Qualification – 2 marks; 2 marks for professional certifications)</li> <li>✓ Experience of relevant engagements in detail. (max 6 marks - 2 marks for each completed relevant assignment)</li> </ul> <p>Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.</p>	<p>Domain expert with</p> <ul style="list-style-type: none"> <li>✓ Minimum 5 years of work Experience in IT / Data Science in BFSI sector out of which minimum 1 year experience as a Data Scientist</li> <li>✓ Educational Qualification- <ul style="list-style-type: none"> <li>- <b>Masters in Statistics</b> / B.Tech/B.E./M.Tech/ M.E. in Computer Science / IT/Data Science/ Machine Learning and AI (Minimum 60% marks compulsory in B.Tech / B.E.) from AICTE/UGC recognized university.</li> </ul> </li> <li>✓ Professional certifications including Certified Data Scientist from reputed institutions.</li> </ul> <p><b>Scoring Methodology: (10 marks)</b> CV should cover</p> <ul style="list-style-type: none"> <li>✓ Educational Background and overall experience including in the field of IT / Data Science. (<b>1</b> marks for professional certifications)</li> <li>✓ Experience of relevant engagements in detail. (max 6 marks - 2 marks for each completed relevant assignment)</li> <li>✓ <b>Experience in India – max 3 marks (for experience of 5-7 years - 1 mark; 7 upto 10 years – 2; more than 10 years – 3 marks);</b></li> </ul> <p>Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.</p>
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## Appendix II

### Brief document on Current Workflow, Scope of Work, Deliverables, etc.

Current Workflow at the Bank		Work carried out by
Application	Submission of Application for Loan with related information to SIDBI	Borrower
Appraisal	KYC and due diligence (including searches in various RBI/ CIBIL lists etc.)	Bank
	Preparation of Credit information report	3 <sup>rd</sup> party
	Analysis of financial statements	Bank/ 3 <sup>rd</sup> Party
	Under-writing - for preparing Appraisal memorandum	Bank
	Internal rating	Bank
	Internal scoring	Bank
	Visits to the Borrower Company/ discussions with the company officials	Bank
	Confirmation of proposed terms and conditions from the borrower	Borrower
	Finalisation of Appraisal note	Bank
	Sending Appraisal Memorandum to Risk Management Vertical (RiMV) for rating review/ confirmation/ comments	Bank
	Recording Compliances to RiMV comments	Bank
	Proposal is put up to Sanctioning Committee	Bank
	Receipt of minutes of credit committee meeting and Post sanctioning reporting to delegated authority	Bank
Post sanction	Compliance of pre-LOI conditions if any	Bank
	Issuance of letter of intent	Bank
	Payment of processing fee	Borrower
	Preparation and execution of loan documents	Bank in coordination with borrower
Disbursement	Compliance of pre-disbursement conditions	Bank in coordination with borrower
	Disbursement to borrower account as requested	Bank
	Pool Scrub and/ or portfolio scrub	Bank with the help of Credit Bureau Companies

Current Workflow at the Bank		Work carried out by
Follow-up & Monitoring	Post disbursement compliances as per sanctioned terms	Bank in coordination with borrower
	End-use verification/ Visits	3 <sup>rd</sup> Party CA (engaged by Bank) in coordination with borrower
	Calling of Quarterly data/ info from borrower and analysis thereof	Bank
	Review of external rating on monthly basis	Bank
	Half yearly portfolio review and reporting to top management	Bank
	Yearly portfolio review	Bank
Miscellaneous	Day to day operational matters viz Interest resets, etc.	Bank
	MIS and closing of Accounts	Bank
	Concurrent Audit, Operational Audit, RBI Audit	Bank
	Obtaining BCC, AOD etc. from Borrower	Bank
	Obtaining Annual reports and analysis thereof	Bank

### Security Information Exchange using Blockchain Technology

- In the present eco-system of lending to NBFCs and MFIs, the borrower (NBFC/MFI) has multiple lenders. The security interest, by way of hypothecation of receivables and book debts, is created either on sharing basis or exclusive basis with the lenders. The security interest is dynamic (value varies, gets replaced from time to time, etc.) in nature and in the process is also open to certain risks, viz., duplication in the security interest created with various lenders.
- SIDBI has endeavoured to transform the current process landscape by setting up a blockchain based ecosystem for Security Information (SI) Exchange. Such an ecosystem will offer real time, immutable data, tracking of loan assets and optimized processes on blockchain as a single source of truth, thereby nearly eliminating any possibility of misrepresentation of information.
- The long-term vision of this ecosystem is Countrywide adoption across Institutional Participants (IP - Banks/ FIs etc.) and Non-Banking Participants (NBP) -NBFCs/ MFIs etc.] such that it becomes a gold standard for exchange of the Security Information across all lending participants.
- The benefits of the blockchain based SI exchange are as follows:
  - (a) Near real time Security Information sharing among IPs and NBPs
  - (b) Elimination of duplicate use of underlying loans for Security Interests
  - (c) Reduced operational costs with reduction in manual verification with Smart Contracts
  - (d) Reduced administrative efforts for any change in underlying loans for a Security Interest
  - (e) Increased confidence for Lenders with loan validation by Credit Bureau.
- The design principles are such that data privacy would be maintained and rule-based validity checks would be enabled.
- At present, the Proof of Concept (PoC) with Infosys Ltd. as a partner, has been completed and Pilot Phase is under implementation. Two NBFCs/ NBPs have been



shortlisted for data upload and training under Pilot Phase. The Bank is in pursuit of identifying other Banks/ IPs to be on-boarded.

#### **TRIGGER POINTS / EARLY WARNING SIGNALS (EWS)**

To manage stress and NPA management automatically an indicative trigger system consisting of a list of trigger points and its intended actions for stress and NPA management is followed by the Bank.

EWS warns bank officials of several irregularities in loan accounts that could lead to fraud. These notifications are especially pertinent for standard accounts and stressed accounts at the pre-NPA stage so that prompt corrective action can be performed. The bank has automated some of the trigger points/EWS notifications in order to quickly detect the EWS (list of EWS as per RBI guidelines). Periodically, trigger points would be updated.