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Forex Consultant: Consultancy and Advisory Services for the Foreign Exchange Risk Management

S. No.	**Particulars**	**Details**
1.	Publication date on the portal	07th August, 2020
2.	Start / initial date of applying for bid	Date of publication on the website of IREDA; 07-Aug-2020 at 10:00 AM
3.	Last date of submission of bid/ offer	Latest by 05:00 PM on 29-Aug-2020
4.	Technical Bid Opening	02-Sep-2020 at 3:00 PM
5.	Contact person:	1. Mr. Manoj Jain, M(F&A) Mobile: 9310839310 Tel: 011-26717400-34 (ext. 335) 2. Mr. R.C. Sharma, GM(F&A) Tel: (d) 011-26717431
6.	Email id	1. manojjain@ireda.in 2. rcsharma@ireda.in
7.	Reference documents	Terms of Reference Placed at **Annexure-1**

इरेडा IREDA IS/ISO 9001:2015 Certified ISO/IEC 27001:2013 Certified	**INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD** **(A Government of India Enterprise)**

Engagement of Consultant of Foreign Exchange and Risk Management

INVITATION TO BIDS

REF NO: IREDA/F&A/Resources/ 2020-21 dated 07.08.2020

Corporate Office: 3rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi-110066.
Registered Office: Core-4A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003.

REF NO: IREDA/F&A/Resources/ 2020-21 Dated: 07.08.2020

To,

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……………………………………………………

Subject: Appointment of "Forex Consultant: Consultancy and Advisory services for the Foreign Exchange Risk Management" on retainership basis

Dear Sir/ Madam,

Indian Renewable Energy Development Agency Limited (IREDA / "the Company") was incorporated under the Companies Act, 1956 on 11th March, 1987 as a wholly-owned Government of India Enterprise exclusively for the financing of Renewable Energy and Energy Efficiency projects in India, under the administrative control of the Ministry of New & Renewable Energy (MNRE). The Renewable Energy (RE) technologies supported by IREDA include Solar Power, Wind Power, Small Hydro Power, Biomass Power / Cogeneration, Waste to Energy and Energy Efficiency / Conservation. IREDA is a Public Financial Institution under Sec 2(72) of the Companies Act 2013 and is registered as a 'Non-Banking Finance Company (NBFC)' with the Reserve Bank of India (RBI). In recognition of its sound operational and financial performance, the Department of Public Enterprises (DPE), Government of India has bestowed IREDA with "Mini Ratna -Category I Status" in June 2015.

A. Request for Proposal

IREDA has foreign currency exposure with various Bilateral and Multilateral agencies and has entered into various derivative transactions for risk mitigation. Keeping in view the nature of operation of IREDA, it is proposed to engage the services of a "Forex Consultant for Consultancy and advisory services for the Foreign Exchange Risk Management" in order to have their expert advice and also to gain advantage of latest available tools/ techniques in derivatives and risk mitigation products.

IREDA desire to engage the Forex Consultant to advice on various forex and risk management matters as per the Terms of Reference (TOR) placed as **Annexure I.**

IREDA invite online bids from interested consultancy professional firms//LLP/companies/ proprietorship firm etc. (herein after refer as bidder) working in the area of Forex and Risk

Management Consultancy Services.

1) Interested bidders may download the tender documents from IREDA website, www.ireda.in (for reference only) and CPPP site https://eprocure.gov.in/eprocure/app as per the schedule given below:

S. No.	Description	Detailed information
1	Tender for	Engagement of Forex Consultant to advice IREDA on various forex and risk management matters as per the Terms of Reference (TOR) placed as **Annexure I**.
2	Tender Reference Number	REF NO: IREDA/F&A/Resources/ 2020-21 dated 07.08.2020
3	Date of release of bidding documents (document can be downloaded from IREDA website and CPPP)	**07.08.2020**
4	Last date and time of receiving vendor pre-bid clarifications in writing, if any	Latest by 05:00 PM on 14-Aug-2020
5	Pre-bid clarification to be given by IREDA through publication on website of IREDA	18-Aug-2020 latest by 5:00 pm
6	Last date and time for bid submission	Latest by 05:00 PM on 02-Sep-2020
7	Bid opening date	**03-Sep-2020 at 3:00 PM**
8	Name and address for communication	The General Manager (F&A) Indian Renewable Energy Development Agency Limited, 3rd Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi – 110 066 Ph.: 011-26717400-13 Fax: 011-26717416 Email: rcsharma@ireda.in;
9	Email id	manojjain@ireda.in rcsharma@ireda.in
10	Reference documents	Terms of Reference Placed at **Annexure-1**

2) Bids shall be submitted online only at CPPP website: https://eprocure.gov.in/eprocure/app Tenderer / Bidder are advised to follow the instructions provided in the "Instruction to the Bidders" for the e-submission of the bids online through the Central Public Procurement Portal for e-procurement at https://eprocure.gov.in/eprocure/app.

3) Not more than one tender shall be submitted by one tenderer / bidder having business relationship.

4) Tenderer who has downloaded the tender from the IREDA website and Central Public Procurement Portal (CPPP) website shall not temper / modify the tender form including downloaded price bid template in any manner.

5) Intending tenderers are advised to visit again IREDA website and CPPP website at least 3 days prior to closing date of submission of tender for any corrigendum/ addendum / amendment.

6) No other documents will be accepted manually or in the form of hard copies.

7) Bids will be opened as per date/time as mentioned in the schedule above. After online opening of technical bid, the results of their qualification as well as price bid opening will be intimated through online.

You can access the website of IREDA through "www.ireda.in" for more information on the organization, its activities and for any further details/ information.

B. Eligibility Criteria

The invitation to bid is open to all Bidders who fully meet the following minimum qualifying requirements and provide / submit the satisfactory documentary evidence in support, failing which their bid may be rejected the eligibility criteria as given below:

Eligibility Criteria: -

i) The Bidder should be in consultancy business for more than 03 years as on 31st March 2020 and providing consultancy services in the area of Forex, Derivatives and Risk Management.
(Copy of Certificate of Incorporation/Partnership Deed/Undertaking from Individual for starting consultancy Business to be enclosed.)

ii) At least 2 Partners/Promoters in case of Firm/Company should be professionally qualified i.e. CA/CWA/CS/ MBA (Finance)/ PGDM (Finance)/ Post Graduate (Commerce/Finance), however, in case of proprietorship firm, proprietor should be professionally qualified as mentioned above. (An undertaking shall be provided with the detail of professional qualification and working experience with bidder and other entity under such professional capacity)

iii) If any individual submit the quotation in his individual capacity, he should be under full time consultancy business and shall not be in any employment. (An undertaking shall be provided that individual is into full time consultancy business and not under any employment with any other entity)

iv) Bidder must have atleast one terminal like Bloomberg, Reuter or similar nature facility provider. (An undertaking shall be provided that M/s ………….. is having …… ……… (Bloomberg/Routers/…….) terminal and subscription of same or similar nature terminal will be continued till the services to IREDA continue)

v) Bidder should be engaged and currently working as Forex and Risk Management consultant or similar nature of consultancy service for PSU/Schedule Bank/Financial Institution/ NBFC of assets size more than ₹ 500 crore/ or Listed company. (Copy of Work Order/Contract Certificate by Company Secretary/Independent C.A. for the entities to be provided)

Bidder who will not meet the above criteria shall be summarily rejected and no technical evaluation will be made.

C. Technical Bid

Bidders, who meet the above eligibility criteria, the technical bids will be opened and evaluated as per criteria give below

It may kindly be noted that the technical bid/ proposal should be submitted strictly on the format prescribed for necessary evaluation at our end.

S.No.	Particular	Marking System		Total Mark
1	No. of Years' Experience of Bidder as on 31.03.2020 i. Date of incorporation will be treated start date for firm/company/LLP. ii. Date of start of business will	Between 3 to 5 Years	6 Mark	10
		More than 5 years	10 Marks	

	be treated for individual (Copy of oldest agreement/work order assigned to bidder for computation of work experience to be provided)			
2	Presence in Delhi-NCR Region (Office of service provider team for IREDA) (Copy of utility bill i.e. water/Electricity/Post Paid Mobile or Landline phone connection/ Municipality Tax Receipt between the periods of 31.03.2020 to 31.07.2020 to be provided).	Delhi, Noida, Gurgaon, Ghaziabad, Faridabad		10
3	Nature of Service offered (Copy of engagement letter/Work Agreement covering the scope of work for consideration of these points)	Forex & Derivative Advisory	16 Marks	35
		Risk Management	8 Marks	
		Forex Accounting	8 Marks	
		ISDA Agreement Vetting	3 Marks	
4	No. of Qualified professionals. (Detail of professionals and his qualification to be provided)	2-4 Professionals	4 Marks	10
		5-8 Professionals	8 Marks	
		More than 8	10 Marks	
5	Number of Entities for which similar assignment handled (only PSU/NBFC of assets size more than ₹ 500 crore/Scheduled Bank/Financial Institution/Listed Company) (Copy of Work Order/Contract Certificate of entities to be provided)	2 to 3 Entity	3 Marks	10
		4 to 5 Entity	5 Marks	
		More than 5 Entity	5 Marks +1 Mark for each entity upto 5 additional marks	

6	No. of years working Experience with Bank/PSU/NBFC of assets size more than ₹ 500 crore/Listed Company (Copy of agreement/work order assigned to bidder)	Upto 2 years	6 Marks	10 Marks
		2-3 years	8 Marks	
		More than 3 Years	10 Marks	
7	Annual Turnover of firm/company/individual (Auditor/Independent Chartered Accountant Certificate to be provided)	Upto 30 Lakhs	4 Marks	10 Marks
		30-50 Lakhs	8 Marks	
		More than 50 Lakhs	10 Marks	
8	Registrar Valuer as per Section 247 of the companies Act 2013 and able to provide MTM Valuation of the derivative deals. (Registration Certificate to be provided)	5 Marks		5 Marks

D. Financial Bid

The price bid will be submitted as per the BoQ format. (Consultancy Service charges shall be considered for one year inclusive of all charges except applicable taxes. Further it may be noted that no any other expenses shall be paid except consultancy fees as mentioned in the BoQ)

E. Submission of Tender

The tender shall be submitted online in two parts at the same time, viz Technical Bid and Financial Bid.

1) All the pages of bid documents being submitted must be signed and sequentially numbered by the bidder irrespective of nature of content of the documents before uploading.
2) The offers submitted by Fax / E-mail shall not be considered. No correspondence will be entertained in this matter.

F. Evaluation Process:

The evaluation shall be carried out as follows: -

i) Technical bids will be opened for bidder who are met eligible criteria.

ii) Technical bids will be evaluated as per technical criteria and minimum qualify marks will be 70 out of 100 for opening of financial bids.

iii) Financial bid will be opened of the bidders who are technically qualified.

iv) Financial bid marks will be allocated to the bidder as follows: -

a. Lowest Financial Bidder : 100 Marks
b. For Other : (L1 Amount/Amount quoted)X100

v) The weightage of technical criteria will be 70% and 30% weightage of financial criteria.

vi) The work/agreement will be awarded to the bidder who will get the aggregate highest Marks in technical and financial criteria. However, the final decision will be rest with IREDA.

G. INSTRUCTIONS TO BIDDERS- GENERAL TERMS AND CONDITIONS:-

The general terms and conditions applicable in regard to submission of bid/offer for award of contract by IREDA are as follows:-

1) The Bid shall be submitted online in format in three Parts i.e. Part-1 Eligibility criteria as mentioned at point number B; Part II i.e. Technical Bid criteria as mentioned under point C; and Part III i.e. Financial Bid criteria as mentioned under para D this document.

2) All the pages of bid being submitted must be signed and sequentially numbered by the bidder irrespective of nature of content of the documents before uploading.

3) The offers submitted by Fax / E-mail shall not be considered. No correspondence will be entertained in this matter.

4) The Consultant/Company/Firm should declare whether any Director/partner of the firm has any relation with any employee working in IREDA and if so give the name of the employee and the relationship, and also whether any of them has a relationship within the meaning of Sub-Section (77) of Section 2 of the **Companies Act 2013**, with any of the Directors of IREDA, and also with the Statutory Auditors (M/s J.N. Mittal & Co., Chartered Accountants, New Delhi) of IREDA, if so give details.

5) All rates and amount shall be quoted strictly as per the online price bid format in Indian rupees only.

6) The Bidder should not have been blacklisted by any Central /State Government/Public

Sector Undertaking in India.

7) Prior to detailed evaluation, IREDA will determine the substantial responsiveness of each Bid with reference to the Bidding documents. A substantial responsive bid is one which conforms to all the terms and conditions of the bidding documents without material deviation. The Owner's determination of bids responsiveness will be based on the contents of the bid itself. A bid determined as not substantially responsive will be rejected by IREDA and may not subsequently be made responsive by the bidder by correction of the non-conformity.

8) The Consultancy service payment shall be made on quarterly basis upon submission of Original Invoice.

9) IREDA does not bind itself just to accept the lowest financial bid and reserves the right to accept or reject any or all bids without assigning any reason.

10) The bidder shall complete the proposal sheets and all the pages of the bid shall have initials of the person or persons signing the bid as a token acceptance of all the terms & conditions of this tender.

11) Sub-letting of consultancy service is not allowed. If any such matter comes to IREDA notice, the contract will be cancelled.

12) IREDA will evaluate and compare the bids based on the information asked in the tender document vis-à-vis documents submitted by the bidder.

13) IREDA reserves the right, to accept any bid (not necessarily the bid having lowest bid prices) or to reject any or all bids or to cancel / withdraw the invitation to bid or to annul the bidding process at any time prior to Award of Contract, without assigning any reason for such decision. Such decision by the Owner shall not be subject to question by any Bidder and the Owner shall bear no liability whatsoever consequent upon such a decision nor shall he have any obligation to inform the affected Bidder or Bidders of the grounds for the Owner's action.

14) IREDA can withdraw / terminate the contract at any time with one month notice period on account of any reason or in case the services are not found satisfactory.

15) The tender submitted by tenderers shall become the property of IREDA and participating agency/firm shall have no right /obligation to ask for return the same.

16) If a tenderer deliberately/knowingly provides wrong /false information/credentials/ documents in support, IREDA reserves the right to terminate/rescind the contract at any stage and

to take any other action as may be deemed fit.

17) All participative bidders may take care for timely on-line bid(s) submission so as to avoid last hour rust or any technical error / issue, resulting in failure of bid submission due to some reasoning. The control of the system is on CPP Portal and hence, for any technical issue they may contact Customer Care of CPP Portal.

18) In case, due to any reason, the opening date & time being a holiday or due to organization unexpected requirement, the last date of opening will be notified for which the participating bidders have to refer IREDA website and CPP Portal.

19) Any dispute(s) or difference(s) arising out of or in connection with the Contract shall, to the extent possible, be settled amicably between the parties.

20) Decision of Competent Authority, IREDA shall be final & binding on both the parties in respect of all matters of dispute arising out of this tender.

21) Jurisdiction: The courts of Delhi will have jurisdiction over all legal disputes under this contract.

22) Notification of Award of Contract will be made in writing by registered post / speed post or by hand to the successful bidder by IREDA. The notification of award shall constitute the formation of contract.

23) Initial engagement will be done for a period of one year. However, renewal/extension of contract can be done on same terms and condition(s) for further 2 years subject to satisfactory performance of the bidder.

Confidentiality

The Bidder should treat the details of the documents as secret and confidential. The Successful Bidder shall be required to execute separate Non-Disclosure Agreement (NDA) with IREDA. The format of NDA will be provided by IREDA to the successful bidder.

We agree to all the general terms & conditions of this tender document.

Signature of the Bidder:

Seal & Stamp of the Agency/Bidder:

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In case any further clarifications are required please contact, **Mr. Manoj Jain, Manager (Finance & Accounts) on: +91 11 2671 7400-13; 9310839310 manojjain@ireda.in or Dr. R. C. Sharma, General Manager (Finance & Accounts) on +91 11 2671 7431; <rcsharma@ireda.in>.**

Thanking you,
Yours faithfully,

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(Dr. R. C. Sharma)
General Manager (F&A)

ANNEXURE I

ANNEXURE I

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

Terms of Reference FOREX CONSULTANT:
Consultancy and Advisory services for the Foreign Exchange Risk Management

Terms of Reference for engaging the services required from Forex Consultant on retainership basis

To assist IREDA in providing comprehensive Risk Management Advisory Services on IREDA's Forex liabilities with a focus on active real time advisory and deliverance.

SCOPE OF RETAINERSHIP AND DERIVABLES

I. Managing Risks inherent in IREDA's borrowings & advising on appropriate derivative structures to hedge specific borrowings and / or to reduce cost.

Following would be the proposed deliverables for the entire tenor of the retainership:

- An independent opinion on the risk due to the foreign currency borrowings of IREDA.
- Advisory services and recommendations to hedge the foreign currency borrowings, which would be based on the market risk and regulatory risk in compliance with the RBI guidelines.
- Provide an evaluation of the possible hedging alternatives /structures available to IREDA, along with indicative pricing. Identify the cost-effective and most appropriate structure based on the risk-reward analysis. Also assist IREDA in timing the hedge transaction at opportune market level.
- Advice on hedging strategies and evaluate and price different derivatives structures offered by various market participants to IREDA and the various risk-reward facets on the same.
- Sensitivity analysis on the performance of the proposed derivative structures that IREDA is likely to enter into, to comply with the regulatory requirement.
- Monitoring risk on IREDA's liability portfolio in terms of the Foreign exchange and Derivative Risk Policy.
- Updating IREDA on new derivative products and advising on their suitability to IREDA. Also provide inputs on any new suitable derivative product introduced and allowed by the RBI for hedging currency and interest rate risks.
- Valuation of derivative portfolio and measurement of derivative hedge efficiency for the purpose of reporting and un-winding the positions, if required.
- Evaluation of offers and calculation of termination amounts in case of restructuring /unwinding proposals submitted / received from existing swap partners.

II. Derivatives Pricing, Valuation & Risk Reporting

Transacting in derivatives requires risk reporting to the management, statutory auditors and regulators. Besides, derivatives exposures of IREDA and the various policies which govern the same are to be disclosed in the IREDA's Annual Report. Consultant will provide their advice on derivatives pricing valuation & risk reporting on the following:-

- Advisory on pricing of interest rate and cross currency derivatives at the time of execution of derivatives transactions.
- Provide working calculators for all derivatives structures that IREDA has dealt for the purpose of monitoring the MTM in-house. This is an audit & regulatory requirement.
- Provide the MTM valuation of all the derivative transactions undertaken by IREDA. This can be done in a pre-defined format as agreed by IREDA and/ or statutory auditors, on a monthly / quarterly basis (as required), as well as at any point of time for any specific transactions or a portfolio of transactions.
- Assist IREDA in preparing various MIS reports on a periodic basis, as required.
- Valuation of derivatives transactions, as per the audit requirements.
- Derivative accounting treatment and entries, including practices followed by peer institutions.

III. Other Aspects

- Provide inputs with regard to any changes / developments in the regulatory norms that could impact the Foreign Exchange and Derivatives Risk Management Policy of IREDA.
- Review the Foreign Exchange and Derivatives Risk Management Policy of IREDA on semiannually basis or as and when required to incorporate the changing market scenario and changes in RBI guidelines.
- Help in finalization and execution of documents such as ISDA, deal documents etc. with counterparties (banks)
- Advice on accounting treatment of derivative products especially with reference to the Accounting standards (ICAI) on the subject matter and with reference to IFRS once the implementation of the same is made mandatory for IREDA.
- Advice on related statutory / regulatory issues.
- Guide on the overall compliance of Board decisions, RBI or any other regulatory bodies on forex, hedge, derivatives, policy, etc.
- Provide independent valuation certification on balance sheet dates for audit purpose if required.
- Provide access to valuation / pricing models and other system support for enabling in house assessment of structures and development of skills.
- Provide training to the IREDA employees (knowledge enhancement) on various

derivative instruments/ hedging strategies as allowed by the RBI.

IV. Attending and advising the Company's Forex Management Committee (FMC), Assets-Liability Committee (ALCO) and other committee as required from time to time

- Consultant/Any of his representative will be required to be present in all the meetings of the Forex Management Committee (FMC) and Assets-Liability Committee of IREDA to advise the members of FMC and ALCO. The number of visit during the year will be minimum 6 visits.
- Consultant may be invited to present for other committee like Risk Management Committee or other committee for matter related to Risk, Foreign Exchange Exposure, Derivative Transactions, Forex Transaction Accounting, or any other relevant matter related to Consultant area as and when required.

GENERAL OBSERVATIONS

- The term of this contract would be reviewed annually from the date of signing of the agreement.
- All information, documents and data provided by IREDA for this agreement would be treated as confidential.
- All the pricing / valuation calculations that would be provided will be for IREDA's use only and would be treated as confidential.

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