

REQUEST FOR EXPRESSION OF INTEREST (CONSULTING SERVICES)

for

Selection of an “Independent Monitoring Agency in National Skill Development Fund (NSDF) to monitor the activities undertaken by National Skill Development Corporation (NSDC)”

Key Dates and Information

EOI ref. no.	SD-12012/10/2017-ENNN
EOI issuance date	01.03.2023
Last Date for receipt of request for clarifications	09.03.2023 <i>E-mail ID: pritamdutta.dad@nic.in</i>
Last Date for submission of EOI	Date: 15.03.2023 Address : Sh. Pritam Dutta, Deputy Secretary, Ministry of Skill Development and Entrepreneurship, Room no. 216, 2 nd Floor, PTI Building, Sansad Marg, New Delhi-110001
Date and Time for opening of EOI	Date: 17.03.2023 Time: 1500 hrs Address : Sh. Pritam Dutta, Deputy Secretary, Ministry of Skill Development and Entrepreneurship, Room no. 216, 2 nd Floor, PTI Building, Sansad Marg, New Delhi-110001
Contact Persons for Queries	Deputy Secretary, MSDE - 011-23465916

REQUEST FOR EXPRESSIONS OF INTEREST (EOI)
(CONSULTING SERVICES – FIRM SELECTION)

Date: 01.03.2023

Assignment Title: Selection of an “Independent Monitoring Agency in National Skill Development Fund (NSDF) to monitor the activities undertaken by National Skill Development Corporation” (NSDC)”

1) **National Skill Development Fund (NSDF)**, the client, invites Expression of Interests (EOIs) for selection of Independent Monitoring Agency (MA) to monitor the activities undertaken by NSDC.

2) **Background:**

i. About Ministry of Skill Development & Entrepreneurship (MSDE)

The Ministry of Skill Development & Entrepreneurship (MSDE) is the apex governmental body responsible for enhancing employability of the youth through skill development. The skill ecosystem in India is witness to some great reforms and policy interventions which is reinvigorating and re-energizing the country's workforce today. The core objective of the Ministry is to empower the individuals by enabling them to realize their full potential through a process of lifelong learning where competencies are accumulated via instruments such as credible certifications, credit accumulation and transfer, etc.

ii. National Skill Development Fund ('NSDF')

The National Skill Development Fund (NSDF) has been set up as a Trust, fully owned by the Government, under the Indian Trusts Act, 1882, to act as a receptacle for financial contributions by Government/Government entities and multilateral/bilateral and other private sector donors who would prefer to provide funds through the Government.

It was set up in 2009 by the Government of India for skill development in the country. The Fund is contributed by various Government sources, and other donors/ contributors to enhance, stimulate and develop the skills of Indian youth by various sector specific programs.

The Fund is operated and managed by the Board of Trustees. The Chief Executive Officer (NSDF) of the Trust is responsible for day-to-day administration and management of the Trust.

The Fund meets its objectives through National Skill Development Corporation (NSDC) which is an industry led 'Not for Profit Company' set up for building skill development capacity and forging strong linkages with the market. NSDC acts as a catalyst in skill development by providing funding to enterprises, companies and organizations that provide skill training. It also develops appropriate models to enhance, support and coordinate private sector initiatives.

NSDF entered into an Investment Management Agreement (IMA) with NSDC for utilization of its corpus to meet the desired objectives of National Skill Development Mission and encourage skill development in the country.

iii. National Skill Development Corporation ('NSDC')

NSDC is a Public Private Partnership (PPP) company, set up as a Section 25 not for profit company under Companies Act, 1956 with shareholding of GoI (49%) and private sector (51%). The primary mandate of NSDC is to impart world class skills to Indian labour force with employability as the end objective. It aims to promote skill development by catalyzing creation of large, quality, scalable vocational institutions.

It is also mandated to enable support systems such as quality assurance, information systems and train the trainer academies either directly or through partnerships. NSDC acts as a catalyst in skill development by providing funding to enterprises, companies and organizations that provide skill training. Key government schemes like PMKVY, PMKK, NULM, Seekho aur Kamao, Udaan, etc. to promote skill development are also implemented by NSDC.

iv. Independent Monitoring Agency ('MA')

NSDC was granted exemption for the registration and governance formalities under RBI on the premise that regulatory oversight is provided by NSDF. Accordingly, NSDF, through an independent external agency undertakes oversight activities of NSDC in terms of Investment Management Agreement (IMA) between NSDC & NSDF, the Trust Deed and RBI regulations on Non-Banking Financial Company (NBFC). The MA will work in coordination with the CEO, NSDF. The MA will submit the quarterly report to the NSDF comprising review of activities undertaken by NSDC.

3) Brief Scope of Work of Monitoring Agency

i. Development of Monitoring Framework

The MA would assist in the development of a suitable monitoring framework, with respect to the activities of NSDC and its assisted projects, with a view to ensure that the activities are aligned with the objectives of NSDF and are consistent with the provisions of Investment Management Agreement (IMA) between NSDF and NSDC, the Trust Deed and RBI regulations on Non-Banking Financial Company (NBFC).

For this purpose, the MA will undertake the following activities: -

- a. Study of the existing policies of NSDC pertaining to:
 - I. Selection of eligible projects under the scheme.
 - II. Sanction of funding assistance/ investment and disbursement of funds thereof.
 - III. Current organizational delegation structure in respect of sanction and disbursement.
 - IV. Existing mechanism for monitoring the end use of funding assistance/investments made by NSDC.
 - V. Key indicators identified for assessment of operating performance of the projects in terms of coverage and success rate etc.
 - VI. Mapping the flow of funds from NSDC vis-a-vis the budget/work plan estimates prepared in respect of assisted projects.
 - VII. The MA should help NSDC in designing of NPA & write-off policy and should help in development of suitable mechanism for identification of NPA accounts. Trigger should be set for the identification of NPA accounts and suitable redressal/corrective mechanism should be suggested by the MA before the account is categorized NPA/stressed asset.
 - VIII. The firm is required to provide independent opinion on stressed assets by using different analytical tools, verification of audited financial statements, Bank Statements. It should also obtain comfort letter or should check for conduct of account from the respective bank of Training Partner.
 - IX. The firm is required to analyze the funds requirement by NSDC on the basis of historic data and same should be used for making future predictions. Various check parameters like DBT Transfer, details of Committed liability, past trend of release of funds under the scheme should also be analyzed for further release of funds.
- b. Review of risk management and mitigation mechanism adopted by NSDC to safeguard the interest of the Fund/Trust in respect of the assistance to eligible units and achievement of the objectives set under the Trust Agreement/IMA.

- c. Review of the existing financial reporting framework followed by NSDC with respect to income recognition and asset classification and adherence to best practices, such as prudential guidelines of RBI for NBFCs/ similar bodies. For this purpose, inspection of books of accounts, records and registers, and statutory registers of NSDC may be carried out on sample basis. Inspect book of accounts, records and registers of the NSDC to the extent necessary for discharging its obligation.
- d. Monitor the end-use of funds loaned/ investments out by NSDC to various skill training and development programs through on-site and off-site inspections of records on a random sample basis.
- e. MA to take appropriate measure for protecting the interest of the Government (MSDE), as a funding source for NSDC and inform the Board of Trustees (NSDF) as soon as any breach of the trust deed or law comes to its notice.
- f. The MA is also expected to ensure that the funds disbursed to Sector Skill Councils (SSCs) from NSDC, and the funds disbursed from SSCs to its creditors are as per the extant provisions/guidelines of the MSDE.
- g. For effective utilization of Grant by SSCs, the MA should visit the office of respective SSC. It should also review the utilization of Grant advanced by NSDC. Grants already disbursed should be cross verified with audited accounts, bank statements, vouchers and invoices. UCs should be supported by bank statement and invoices.
- h. The consultant should recommend and provide sustainable solution to NSDC for alignment of existing reporting framework with the proposed timelines (as per the RBI circular) to ensure effective implementation of the norms in its existing systems and procedures in due course.

ii. Submission of Monitoring Framework Report

- a. Based on the above, the MA shall submit a Monitoring Framework Report, within 45 days from the award of contract by MSDE, incorporating its suggestions and recommendations on the various aspects to be covered for the purpose of monitoring the activities undertaken by NSDC.
- b. Central Repository of Information on Large Credits (CRILC) check should be conducted for the parties having exposure with NSDC at periodic inspections. Regular CIBIL should be checked for all the guarantors.

iii. Submission of Periodic Monitoring Report

The MA would, thereafter, submit quarterly monitoring reports, covering *inter- alia* the following aspects: -

- a. Flow of funds from NSDC and corresponding utilization of the same for eligible projects.
- b. Overall performance of projects on the basis of Key Performance Indicators/Matrix as envisaged.
- c. Adherence with the set objectives of the Fund/Trust in respect of the assistance extended during the reporting period and deviations, if any. For this purpose, the MA may rely on information obtained from the assisted units and/ or onsite/ off-site inspection of records on a random sample basis.
- d. Review of periodic progress reports obtained from NSDC.
- e. Recommending suggestions to improve the funding processes of NSDC as per the best practices followed by the financial services industry.
- f. Monitoring of time bound implementation of suggestions made by MA.
- g. Review of NPA cases on sample basis (maximum of 2 per quarter) as per suggestions made by NSDF
- h. A presentation on the Periodic Monitoring Report should be given to the Board.
- i. A summary on the action taken on the last Board meeting and the last Periodic Monitoring Report must be included in the presentation to the Board.

- 4) The MA shall be hired initially for one (1) year, with provision of extension of another two years (year on year basis), subject to satisfactory performance of MA on annual basis.
- 5) Ministry of Skill Development and Entrepreneurship (MSDE) now invites eligible consulting firms to indicate their interest as Independent Monitoring Agency (MA) to monitor the activities undertaken by NSDC.
- 6) Interested consulting firms should provide information demonstrating that they have the required qualifications and relevant experience to undertake the mentioned assignment.
- 7) The shortlisting criteria are:

S. No	Eligibility criteria	Proof required
i.	The Consulting firm must be an Indian company registered and regulated by SEBI and in existence for at least 10 years.	Incorporation Certificate SEBI & GST Registration Certificate, and PAN Card
ii.	The Consulting firm should have a Net Worth (Paid up Share Capital plus Free Reserves less Accumulated losses/ fictitious assets) of at-least Rs. 15 Crore for each of the past three completed financial years.	CA certificate reflecting overall net worth for the last three completed financial years
iii.	The Consulting firm should have minimum average annual turnover of Rs. 30 Crore in the last three completed financial years.	CA certificate reflecting minimum average annual turnover for the last three financial years. Copy of last years ITR and account details to be submitted.
iv.	Consulting firm should have carried out advisory assignments related to credit appraisal/NPA resolution/ restructuring/ fund administration & management for minimum cumulative aggregate of Rs. 2,000 crores in the past 3 completed financial years, with minimum number of such assignments being 10.	CA certificate reflecting relevant experience; Copy of Work Orders/Contract/ Completion Letter from Client.
v.	Consulting firm should have prior experience of monitoring at least 3 projects in the area of Prudential Oversight and Monitoring for Government/PSU funding agencies, including public sector banks/financial institutions etc (at least Rs 200 crores) during last 3 years	Copy of Work Orders/Contract/ Completion Letter from Client.
vi.	The Consulting firm must have on its rolls consulting staff of at least 30 technically qualified personnel having exposure in the area of consulting services for Financial Management and Risk Management in Projects, qualified as CA/ CFA/ CS/ LLB/ MBA with post qualification experience of at least 5 years . Knowledge on RBI guidelines for NBFC is desirable.	Certificate from Company Secretary for number of technically qualified professionals employed by the company and appropriate supporting undertaking.
vii.	Consulting firm should have its Registered office/branch office in Delhi or NCR for close co-ordination with NSDF/T	Self-declaration together with the address

Please use the two forms given at **Annexure 1 and Annexure 2** to provide further details.

- 8) **Consortium bids are not allowed.** The bidding firm shall not subcontract any of services required under this assignment.
- 9) **Pre-Bid Conference:** If required, Pre-Bid Conference(s) with the interested firms would be convened in the Ministry's Office at New Delhi.
- 10) **Selection Method: A Consulting Firm will be selected in accordance with the Quality and Cost Based Selection (QCBS) method as set out in the GFR, 2017 and Manual for Procurement of Consultancy and Other Services 2017 issued by Department of Expenditure, Ministry of Finance, Govt. of India. *Request for Proposal (RFP) will be issued only to shortlisted qualified agencies after evaluation of EOI to submit their detailed technical and financial proposals for the required services. The shortlisted candidates have to register themselves (if not registered) on GeM for subsequent process of RFP.***
- 11) **Clarifications on EOI:** In case of any query on the objectives or scope of work or the services projected, the consultants may contact Sh. Pritam Dutta, Deputy Secretary, MSDE (email id: pritamdutta.dad@nic.in) latest by **09.03.2023**).
- 12) **Summary Rejection:**
- i. It is expressly made clear that mere submission of EOI, eligible or not eligible, shall not confer any right whatsoever on any such entity/ Consulting firm. Any EOI submitted by a Consulting firm, which fails to satisfy the eligibility requirements set out in the Clause No 7 above, is liable to be rejected summarily.
 - ii. The MSDE reserves the right to accept or reject any proposal and to annul the procurement process and reject any or all proposals at any time prior to award of contract, without thereby incurring any liability to the affected Bidding Firms or any obligations to inform the firms of the grounds for the MSDE's action.

Form – 1: Notice of Intent to Submit Response to the Eol

(To be submitted on the Letter head of the applicant)

To,
 Sh. Pritam Dutta, Deputy Secretary,
 Ministry of Skill Development & Entrepreneurship
 2nd Floor, PTI Building, Rafi Marg, New Delhi - 110001

Ref: Eol Notification dated 01.03.2023

Subject: Hiring of an Independent Monitoring Agency (MA) to monitor the activities undertaken by NSDC

Dear Sir/Ma'am,

1. Having examined the Eol document, we, the undersigned, herewith submit our response to your Eol Notification dated (*Dated will be added after approval*) for Hiring of an **Independent Monitoring Agency (MA) to monitor the activities undertaken by NSDC**, in full conformity with the said Eol document.
2. We have read the provisions of the Eol document and confirm that these are acceptable to us. We further declare that additional conditions, variations, deviations, if any, found in our Eol shall not be given effect to.
3. We agree to abide by this Eol, consisting of this letter, the detailed response to the Eol and all attachments, for a period of 90 days from the closing date fixed for submission of proposal as stipulated in the Eol document.
4. We would like to declare that we are not involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this assignment and we are not under a declaration of ineligibility for corrupt or fraudulent practices.
5. We hereby declare that all the information and statements made in this Eol are true and accept that any misrepresentation contained in it may lead to our disqualification.
6. We understand that MSDE is not bound to shortlist / accept any proposal received in response to this Eol.

Our correspondence details with regard to this Eol are:

S. No.	Information	Details
1.	Name of the applicant	
2.	Address of the applicant	
3.	Name, designation and contact address of the person to whom all references shall be made regarding this Eol	
4.	Telephone number of the contact person	
5.	Mobile number of the contact person	
6.	Fax number of the contact person	
7.	Email ID of the contact person	

We hereby declare that our proposal submitted in response to this Eol is made in good faith and the information contained is true and correct to the best of our knowledge and belief.

Sincerely,

[Applicant's Name with seal]

Signature

Name:

Title:

Date:

Form-2: Details of the applicant's Operations

S. No.	Information Sought	Details to be furnished	
1	Contact Details of the Applicant		
	Name of the applicant		
	Address		
	Telephone, Mobile No		
	Email		
	Fax		
	Website		
	2 Business Information about the Applicant's Operations		
2.1	Incorporation/registration Information		
	Incorporation status of the firm (public limited / private limited, etc.)		
	Details of company registration (Attach the photocopy of the registration)	Date registration	
		Registration Reference No.	
Details of registration with appropriate authorities for service tax/GST and other statutory taxes/duties (for each provide date of registration, registration reference/number and photocopies and any other relevant detail)			
	Date of registration with SEBI and registration number.		
2.2	Net Worth of Consultant (Paid up Share Capital plus Free Reserves less Accumulated losses/ Fictitious assets) for each of the past three completed FYs		
2.3.	Annual Turnovers for the last three Financial Years		
2.4.	Number of Advisory Assignments carried out related to Credit Appraisal/ NPA resolution/ restructuring/ fund administration and management along with funds managed in each assignment		
2.5	Number of projects managed in the area of Prudential Oversight and Monitoring for Government/ PSU funding agencies, including public sector banks/ financial institutions etc during last three years along with funds linked with each project		
2.6	Number of consulting staff on its rolls who are technically qualified personnel in the area of consulting services for Program/Project Management, Financial Management, qualified as CA/CFA/CS/LLB/ MBA with post qualification experience of at least 5 years.		
	Number of staff with knowledge of RBI guidelines for NBFC.		
2.7	Address of registered office/ branch office of the consultant in Delhi or NCR for close co- ordination with NSDF		

Please attach relevant documents as mentioned in the point 7 (Shortlisting criteria) of the EOI document.