

SCOPE OF WORK FOR APPOINTMENT OF PROFESSIONAL CONSULTANTS
FOR SETTING UP OF FUNDS

The scope of work is to set out the basis on which 'the firm' is to act as tax and regulatory advisor of IFCI Venture Capital Funds Limited ('hereinafter referred to as the 'IFCI Venture' or 'the Company' or 'the Client' or 'you').

IFCI Venture wishes to avail services of the firm in conceptualization and implementation of 4 fund(s)/schemes domiciled in India. The scope includes

1. Conceptualization of fund structure which shall inter alia include the following:

- Understanding the objectives of the proposed structure based on inputs provided by IFCI venture
- Advising on the pros and cons of the various options from a tax and regulatory perspective, including but not limited to, Investment Advisory option, Portfolio Management Services ('PMS') option and Alternative Investment Fund ('AIF') option.
- Informal discussion with SEBI on the category for the AIF proposed as a fund structure
- Advising on the appropriate category within AIF option, including but not limited to Category 1 v/s Category 2 and Debt Fund / Venture Capital Fund / Small and Medium Enterprises ('SME') Fund / Social Venture Fund.
- Advising on funding structure of the fund entity, viz separate class of units / interests / shares to be issued to various classes of investors.
- Advising on the applicability of various tax laws to form an appropriate structure of fund
- Advising specifically on the permissible instruments (debt, equity, quasi-equity, etc.) and the permissibility of involving multiple investors in the structure and the optimum structure in respect of the same to achieve the desired commercial objectives keeping in mind the tax and regulatory considerations.
- Advising on the form and constitution of the investment vehicle i.e., Trust or otherwise
- Providing input on the formation of trust – whether revocable / determinate trust.
- Analysis of the SEBI AIF Regulations, specifically in the context of structuring and establishment of the Fund. This will also include analysis of specific conditions (if any) imposed by these regulations on domestic funds as well as provisions regulating commercial arrangements between the Fund and its investors, investment manager etc.

2. Implementation of the structure (in case the AIF route is adopted)

- Assistance in compiling the information and enclosures required to be submitted along with the application in accordance with the SEBI AIF Regulations, 2012.
- Assistance in preparing the draft application to be made to SEBI for obtaining approval to register as an AIF.
- Assistance in filing the application with SEBI.
- Assistance in responding to queries, if any, raised by SEBI in relation to the application.
- Assisting in liaising with SEBI on an on-going basis to follow up on the application and assist in making representations with SEBI.

3. Drafting principal fund documents would broadly comprise of the following:

- Finalization of Trust Deed – assuming that the structure would be a trust
- Assistance in drafting the Private Placement Memorandum;
- Management Agreement between the trustee to the Fund and the Investment Manager;

4. Assistance in fundraising initiative/ Marketing of funds:

- Road show of the funds to identify investors;
- Arranging meetings with prospective investors;
- Formalization of Contribution Agreements to be entered into with the investors;
- Assistance in preparation of any other documents, if required

5. Advise on establishment and composition of Investment Committee, Advisory Board, if applicable.

6. How to apply:

Applicants qualifying the below mentioned technical criteria may send their detailed profile along-with a consolidated quote of fees for carrying out the scope of work mentioned in the above points.

Technical Criteria:

- Past experience of at least 5 years in setting up of SEBI registered funds;
- Availability of dedicated team/ experts in fund structuring, drafting of documents, legal, tax and regulatory aspects at Delhi;
- Presence of expert team preferably in Delhi and as well as in Mumbai to facilitate coordination with IFCI Venture and SEBI;
- Expertise in providing end to end solution;
- Should not be black listed by any central/ state Government / Public Sector Undertaking in India.

The firm is required to submit documentary evidence in support of qualifying criteria. The firm which meets the above criteria, shall only be considered for evaluation.