



Life Insurance Corporation of India

Ref: LIC/CO/INVM/BO/Notification/1

dated 26th May 2022

Notice for Empanelment of Share Brokers

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1. Introduction

LIFE INSURANCE CORPORATION OF INDIA (hereinafter referred to as LIC of India or LIC), a statutory corporation established under section 3 of Life Insurance Corporation Act 1956 (XXXI of 1956), is a major public sector enterprise having its Corporate Office at “Yogakshema”, Jeevan Bima Marg, Nariman Point, Mumbai – 400021. LIC hereby invites application from interested and eligible share brokers who are willing to be empanelled or to remain as empanelled brokers. In other words, all existing empanelled brokers as well as those who are not empanelled as of now but are desirous of being empanelled, are required to abide by this notification.

2. Schedule of Activities

Following are the expected timeline of the empanelment process. However, LIC reserves the right to modify the timeline without assigning any reason. Interested parties are advised to regularly check URL <https://licindia.in/Bottom-Links/Tenders> for updated schedule and any changes there-of. No individual intimations shall be provided in this regard.

Sl	Details	Date
1	Notification Publication Date	26.05.2022
2	Last Date of seeking any clarifications	02.06.2022
3	Clarification Publication Date	09.06.2022
4	Last Date of Submission of Completed Application	15.06.2022
5	Declaration of Result	To be decided later

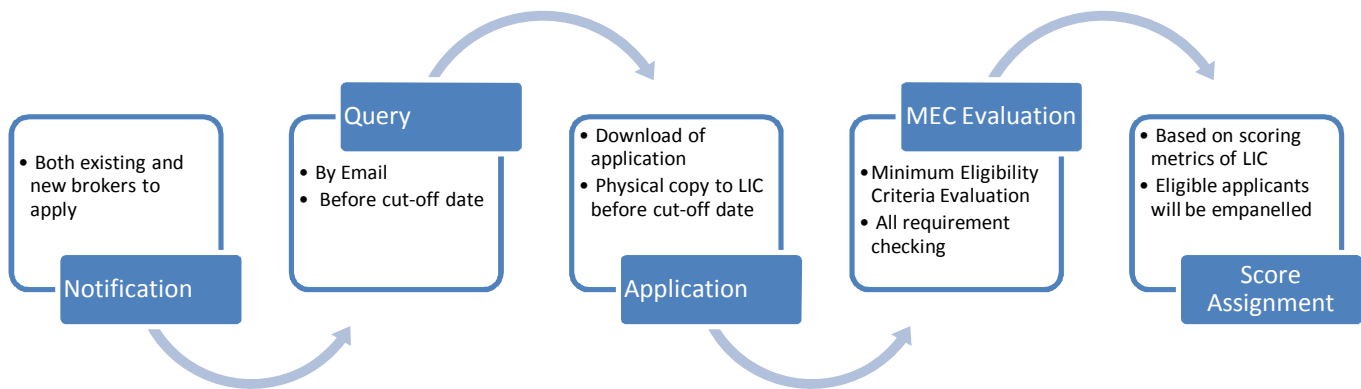
3. Empanelment Process

Empanelment process shall initiate from publication of this notification in portal. Interested applicants are expected to thoroughly go through the document and seek any clarifications required. All communications in this regard has to invariably happen through email (mentioned in CONTACT DETAILS Section). No other form of enquiry, telephonic or otherwise shall be entertained. On receipt of all queries, LIC, based on its own understanding, shall respond to queries which are deemed to be of material in nature. A format of application form is enclosed with this notification. Interested applicants shall have to submit duly completed application form, along with all required documents, in physical form to LIC’s office on the address as given in “CONTACT DETAILS” section.

Applications shall be evaluated against “Minimum Eligibility Criteria” (MEC) as has been mentioned in this document. Any application found not to be qualifying in this criteria or found to be incomplete in any manner, shall be summarily rejected.

Applications qualified upto this stage (MEC), shall further be evaluated and scored based on requirement and metrics decided by LIC. Based on requirement of LIC, a cut-off threshold score shall be arrived at. All interested, eligible and qualified applicants whose score shall be equal to or more than the minimum threshold score shall be considered for empanelment with LIC. Successful applicants shall be intimated in this regard.

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- The empanelment of the broking firm done as per this Notification shall be valid for a period of one year, and is subject to review every year.

4. Applicant's Response

Applicants are required to submit their response to this notification in complete adherence to the "schedule of activities" as well as instructions provided in this document. Physical copies, along with supporting documents, shall have to be submitted. Failure to maintain schedule or instructions shall lead to rejection of the Application. Application is to be submitted in a sealed envelope(s) containing all the required documents and should:

- bear the name, address, seal of the applicant
- be submitted at the address mentioned in "Contact Details" section
- bear the below mentioned details

Application for Empanelment of Share Brokers

Life Insurance Corporation of India

Type of Applicant* : [Existing Empanelled Broker] / [Request for New Empanelment]

**Identify the correct option above*

Name of Entity:

SUBMITTED BY _____
(Applicant's Authorized person's Name & Contact Details)"

5. Application Fee

The empanelment Application can be downloaded from the website URL mentioned in the Contact Details. The broking firms are required to submit the empanelment forms along with the Application fee of INR 5,000/-plus GST @ 18%, in the form of RTGS (Details: Name: LIC INVESTMENT SPECIAL ACCOUNT, NO. 000405124440 IFSC Code: ICIC0000004 Bank Name: ICICI BANK, Nariman Point, Mumbai). The scanned copy of RTGS Receipt must be submitted along with completed application form.. Both new applicants as well as brokers who are already empanelled, are required to pay this application fee.

6. Acceptance of terms and Conditions

This Notification Document along with its annexure/ appendices / clarifications/ addenda/ corrigenda states the terms and conditions of this empanelment process. Responding to this notification and submission of the Application by applicant will be deemed as consent from the

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applicant to all the terms and conditions mentioned in this notification and the contents of the application along with the annexure(s), clarifications, corrigendum(s) issued, if any, will be contractually binding on the applying broking firm. All the Terms and Conditions and the contents of the notification along with the annexure(s), clarifications(s), corrigendum(s) issued will form the part of the empanelment letter to be issued to the empanelled broking firm from time to time as an outcome of this empanelment process.

7. Definitions and Abbreviations

LIC	Means without limitation the “Life Insurance Corporation of India” (LIC), a statutory Corporation established under section 3 of Life Insurance Corporation Act, 1956, (Act XXXI of 1956) having its Central Office at “Yogakshema”, Jeevan Bima Marg, Mumbai 400 021
Notification	This notification Ref: LIC/CO/INVM/BO/Notification/1 dated 26 th May 2022 Inclusive of any clarifications/corrigenda/addenda that may be issued by LIC.
Applicant/ Broker	An eligible firm i.e. firm fulfilling eligibility criteria and submitting an application in response to this notification, in its individual right.
Application	The Applicants’ written submissions in response to the notification signed physically by Authorized Signatory of the applicant.
Authorized Signatory	The person authorized by the company’s Board/ Managing Director/ Director for signing the application documents on behalf of the applicant.
Business Day	shall be construed as a day excluding Sundays and public holidays declared under the Negotiable Instruments Act, 1881 by the State Government of Maharashtra (in case of Mumbai) or Central Government of India
Day	Calendar Day
DMA	Direct Market Access
Clarifications	includes Addenda, corrigenda and clarifications issued by LIC to this notification
Empanelment	End result of this notification. Successful applicant’s name will be entered in a list of share brokers, selected for trading related activities of LIC.
“Party” and “Parties”	Each of the parties i.e. LIC and empanelled broker are collectively referred to as the ‘Parties’ and individually as a ‘Party’.
Default Notice	Shall mean the written notice of Default of the Agreement issued by one Party to the other in terms hereof
Law	Shall mean any Act, notification, byelaw, rules and regulations, directive, ordinance, order or instruction having the force of law, enacted or issued by the Central Government and/ or the Government of any state or any other Government or Regulatory Authority.
Timelines	Wherever Timelines have been defined as days, weeks, months, they will mean calendar days, calendar weeks and calendar months.
KMP	Key Management Personnel as defined under Companies Act – 2013.

8. Transition Period of Existing Brokers

The existing empanelled Brokers, to continue to remain empanelled, shall also have to qualify with the criteria mentioned in this document. However, for transition, they shall have time till 31-March-2023. As on 1-April-2023, they shall have to qualify as per requirement of Phase-B (Partial Implementation Criteria). With effect from 1-April-2024, qualification shall be as per requirement of Phase-C. In other words, those existing empanelled brokers, who are not found qualified on review of the documents as at 31.03.2023 or 31.03.2024 as the case may be shall cease to remain as empanelled brokers of the Corporation.

Phase-A: <i>Financial Year 2022-23</i>	Phase- B: <i>Financial Year 2023-24</i>	Phase- C: <i>Financial Year 2024-25 onwards</i>
<i>Existing Criteria (no change)</i>	<i>Partial Implementation</i>	<i>Full implementation</i>

Each criterion mentioned below are, hence, categorized based on applicability (Phase-A, B and C as mentioned above).

9. Minimum Eligibility Criteria (MEC)

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9A. for Existing Empanelled Brokers

***For Existing empanelled Brokers: Phase-A, Phase-B and Phase-C, as applicable
As indicated above, for existing empanelled broker, existing criteria shall be applicable for Phase A (For the Financial year 2022-23)***

***The reckoning Date for applicability of Phase B shall be 31.03.2023
The reckoning Date for applicability of Phase C shall be 31.03.2024***

Criteria	Requirement	Applicable phase
Entity Type	Only Corporate Entities shall be considered for empanelment. The entity must be Listed Public Ltd., LLP, Public Ltd., Private Ltd etc. In other words, Proprietary entities shall not be empanelled as broker.	Both Phase-B and Phase-C
Net-worth	Shall have minimum Net Worth (As per Audited Balance Sheet/ Networth Certificate duly certified by Statutory Auditors, submitted to the regulator) as at the end of respective Financial Year i.e 31.03.2023 for Phase B and 31.03.2024 for Phase C	For Phase-B: Rs. 5 Crore
		For Phase-C: Rs. 10 Crore
Experience	Shall have a minimum of three years of experience on the respective exchange. Shall have valid SEBI Registration certificate for at-least 3 (three) preceding years	Both Phase-B and Phase-C
Compliance	No penalty under SEBI- (Prevention of fraudulent and unfair trade practices relating to securities market) Regulations and BSE / NSE rules and other extant regulations as may be during the previous financial year.	Both Phase-B and Phase-C
Other Empanelment	Shall be empanelled with at least three (3) Domestic Institutional Investors as brokers.	Both Phase-B and Phase-C
Turnover	Shall have a Minimum Turnover (only in cash segment) as at the end of appropriate qualifying financial year i.e. as at 31.03.2023 for Phase B and as at 31.03.2024 for Phase C	For Phase-B : Rs. 1000 Crore
		For Phase-C: Rs. 3000 Crore
Profit Making	Shall be Profit Making entity for at-least 3 (three) preceding Financial years For Phase B: FY ending 2022,2021,2020 For Phase C: FY ending 2021,2022,2023	Both Phase-B and Phase-C
Facilities and Resources	Shall have a minimum number of on -roll employees	For Phase-B: 3 employees
		For Phase-C: 5 employees
Research Report	Shall have Research facilities (SEBI compliant). The entity shall have to agree to provide Research Reports every year	For Phase-B: 4 reports
		For Phase-C: 12 Reports
Access to Platform	The entity shall have access to a Smart Order Routing platform through which orders can be routed.	Both Phase-B and Phase-C
Litigation	No criminal litigation or money laundering case should be pending against any of the directors of entity, promoters and Key Management Personnel.	Both Phase-B and Phase-C

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As mentioned earlier, as a transitional arrangement, for existing Empanelled Brokers, MEC shall not be applicable for their continuation for FY 2022-2023. However, they too shall have to be qualified in a phased manner (within the next 2 financial years) with respect to each of the criteria as indicated above, failing which they will be de-panelled on review, as at the end of the respective specified period, as the case may be

9B. Minimum Eligibility Criteria (MEC) for New Applicants

Criteria	Requirement
Entity Type	Only Corporate Entities shall be considered for empanelment. The entity must be Listed Public Ltd., LLP, Public Ltd., Pvt. Ltd etc. In other words, Proprietary entities shall not be empanelled as broker.
Net-worth	Shall have minimum Net Worth of INR 10 Crores (As per Audited Balance Sheet/ Networth Certificate duly certified by Statutory Auditors, submitted to the regulator) as at 31.03.2022
Experience	Shall have a minimum of three years of experience on the respective exchange. Shall have valid SEBI Registration certificate for at-least 3 (three) preceding years 2019-20, 2020-21 and 2021-22
Compliance	No penalty under SEBI- (Prevention of fraudulent and unfair trade practices) Regulations and BSE / NSE rules and extant regulations as may be during the financial year 2021-22
Other Empanelment	Shall be empanelled with at least three (3) Domestic Institutional Investors as brokers.
Turnover	Shall have a Minimum Turnover of Rs 3000 Crores in the Preceding Financial Year 2021-22 (In cash segment)
Profit Making	Shall be a Profit Making entity for at-least 3 (three) preceding Financial years 2018-19, 2019-20 & 2020-21
Facilities and Resources	Shall have a minimum number of five on –roll employees
Research Report	Shall have Research facilities (SEBI compliant). The entity shall have to agree to provide 12 (Twelve) Research Reports every year
Access to Platform	The entity shall have access to a Smart Order Routing platform through which orders can be routed.
Litigation	No criminal litigation or money laundering case should be pending against any of the directors of entity, promoters and Key Management Personnel.

10. Empanelment Evaluation Metrics for New Applicants

Notwithstanding whatever mentioned to the contrary, this section **shall not be applicable to existing brokers for continuation for the Current Financial Year (2022-23)**. i.e. those brokers, who are already empanelled with LIC, shall not be evaluated/reviewed based on criteria mentioned below for their business parameters for 2021-2022. Application received only from **new applicants**, who qualifies in MEC above, shall be evaluated on parameters mentioned below. As such, all information as required in Application form shall be provided by all applicants i.e. existing empanelled brokers as well as new applicants. However, existing empanelled brokers may note the same for future compliance as per 9A above.

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Criteria	Details	Maximum Marks	Marks Allotted
Net-worth	As per Audited Balance Sheet / Networth Certificate by Statutory Auditors as at 31.03.2022	10	More than 50 Cr. : 10 Marks 50 Cr. To more than 25 Cr. : 7 Marks 25 Cr. To more than 15 Cr. : 5 Marks 15 Cr. To more than 10 Cr. : 3 Mark 10 Cr.: 0 Marks
Turnover	Turnover during 2021-22	10	More than 10000 Cr : 10 Marks 10000 Cr to more than 8000 Cr : 7 Marks 8000 Cr. To more than 6000 Cr : 6 Marks 6000 Cr. To more than 4000 Cr. : 5 Marks 4000 Cr. To more than 3000 Cr. : 4 Marks 3000 Cr.: 0 Marks
Empanelment with other Institutions	Number of Empanelment with other Domestic Institutional Investors as brokers.	10	More than 10 : 10 Marks 10 Such empanelment : 8 Marks 9 Such empanelment : 7 Marks 8 Such empanelment : 6 Marks 7 Such empanelment : 5 Marks 6 Such empanelment : 3 Marks 5 Such empanelment : 2 Marks 4 Such empanelment : 1 Marks Less than 4 such empanelment : 0 Marks
Profitability	Shall be verified from audited Profit and Loss account of FY 2020-2021	10	More than 1 Crores : 10 Marks 1 Crore to more than 75 lakhs. : 7 Marks 75 lakhs to more than 50 lakhs. : 5 Marks 50 lakhs to more than 25 lakhs. : 3 Marks 25 lakhs to more than 10 lakhs. : 1 Marks 10 Lakhs or Less : 0 Marks
Employees	Number of employees on roll (Certificate from Company Secretary / HR Head / Principal of the firm)	10	More than 50 Employees: 10 Marks 50 Emp to more than 25 Emp: 8 Marks 25 Emp to more than 15 Emp: 6 Marks 15 Emp to more than 10 Emp: 4 Marks 10 Emp to more than 5 Emp: 2 Marks 5 or less number of emp. : 0 Marks
Exchange	Exchange where the firm is registered as Broker	10	Both BSE and NSE : 10 Marks Only 1 of the 2 mentioned above: 0 Marks
Type of Firm	Ownership / Dominant Promoter Group	10	Listed Public Company: 10 Marks Unlisted Public Company: 5 Marks Others: 0 Marks
DMA	Whether having Direct Market Access / One touch DMA Utility	10	Yes: 10 Marks No: 0 Marks
Research Report	Sectors Covered in already published Research Reports during FY 2021-2022	10	10 or More Sectors: 10 Marks 7 to 9 Sectors: 7 Marks 5 to 6 Sectors: 5 Marks 3 to 4 Sectors: 3 Marks Less than 3 Sectors: 0 Marks
Total Maximum Marks		90	

Minimum qualifying marks shall be 50 (fifty).

However, Chairperson / CEO of the LIC, shall have the authority to provide relaxation on minimum qualifying marks and fix the cut-off marks as per the requirements.

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Based on requirement, the cut-off on merit list thus prepared on the basis of marks scored (in descending order), shall be fixed. Empanelment shall happen from the brokers who qualify as per the above cut-off marks.

11. Multiple Exchanges Empanelment

LIC may empanel a particular Broking Firm for either of the exchanges (BSE or NSE) or both the exchanges, subject to the brokers satisfying all the conditions of registration with the respective exchanges.

12. Application

In response to requirement of LIC, the Brokers shall apply in format provided along with this notification. The application, *inter-alia*, shall contain the following documents

- Application Form in Prescribed Format downloaded from portal.
- SEBI Registration Certificate of NSE/BSE.
- Membership Certificate of NSE/BSE.
- Memorandum and Article of Association.
- Audited Annual Report for Last three financial years.(2020-2021, 2019-2020, 2018-2019)
- Latest Net-worth Certificate
- Status Report of NSE/BSE.
- Latest SEBI Inspection Report.
- KYC Details of the firm, directors and/or Dominant Promoter Group Members and KMP with proper documentation
- Credit-worthiness report from Bank of the firm / Banker's Certificate.
- List of already published Research Reports during previous Financial year
- Undertaking from the Director and Company that SEBI or any other regulator has not initiated any action against the firm/company in past and no criminal litigation or money laundering case is pending against any of the directors of the Company.
- Documentary evidence of all criteria mentioned in Section 10 above
- RTGS details for Application Fee remitted/transferred

All these documents have to be certified by Key Management Personnel / Authorised signatory of the broking firm.

13. Brokerage payable to empanelled brokers

LIC shall review, from time to time, the brokerage payable to Empanelled brokers for purchase and sale of equity trades in secondary market on exchanges. The brokerage payable to Empanelled Broker at present shall be **0.08%** i.e. 8 BPS, basis points (plus GST thereon at prevalent rates) of the transaction value purchased or sold. However, LIC may decide on lower brokerage rates for any specific trades executed through such empanelled broker(s) on Stock exchanges. At any point of time, LIC may, at its discretion, review and modify brokerage payable. Such changes shall be intimated to the brokers. Brokers who are unwilling to operate at such revised rates shall have the option to exit from panel of LIC.

14. Annual review

It is to be construed that, by responding to this application, the applicant gives its unequivocal and explicit concurrence for being reviewed by LIC, by on-site and/or off-site mode, on annual or any other frequency that LIC may deem fit. The empanelled broker shall agree and abide by all the terms and conditions that may form part of the Empanelment Letter that may be issued by LIC at the time of empanelment.

15. De-empanelment Process:

Any broker, who is found to be failing in any one or more of the following categories, shall cease to remain as

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empanelled broker of LIC.

- ceases to be a member of a stock exchange; or
- has been declared defaulter by a stock exchange and not re-admitted as a member within a period of six months; or
- SEBI issues order of suspension or cancellation of certificate of registration as a stock broker and not reinstated within a period of six months;
- surrenders certificate of registration to SEBI; or
- has been found to be not a fit and proper person by SEBI under any regulations; or
- has been declared insolvent or order for winding up has been passed in the case of a broker being a company registered under the Companies Act, 1956; or
- any of the partners or any whole-time director in case a broker or sub-broker is a company registered under the Companies Act, 1956 has been convicted by a court of competent jurisdiction for an offence involving moral turpitude; or
- has been found to be a repetitive violator (three instances in a Financial year)

The empanelled brokers should always work in the interests of the Corporation and to the satisfaction of the Corporation, failing which appropriate action will be taken by the Competent Authority including but not limited to de-empanelment.

Notwithstanding whatever mentioned in this document, ED (INVM) of LIC shall have the authority to de-empanel any Broker.

16.Contact Details:

Contact Person	Shri RS Ramesh, Assistant Secretary, Back Office
Contact Email-id	invm.bo@licindia.com
Office Address	LIC of India, Central Office-INVM Dept, 6th floor, East Wing, Yogakshema, East Wing, JeevanBima Marg, Mumbai – 400021.
LIC's Official Website (URL)	https://licindia.in/Bottom-Links/Tenders

1. All communications seeking clarification in response to this notification has to be through Email only.
2. Completed application forms along with all the required documents shall be submitted only in physical form to the office address mentioned above.

Executive Director (Investment – M&A)