



भारतीय लघु उद्योग विकास बैंक

Small Industries Development Bank of India

“आद्योपांत आधार पर इंडिया एसएमई एसेट रिकंस्ट्रक्शन कंपनी लिमिटेड (आईसार्क) के 86.40% या उससे अधिक की हिस्सेदारी के विनिवेश के लिए मर्चेंट बैंकर की नियुक्ति ”

REQUEST FOR PROPOSAL

APPOINTMENT OF MERCHANT BANKER FOR DIVESTMENT OF  
86.40% OR MORE STAKE OF INDIA SME ASSET RECONSTRUCTION COMPANY LTD.(ISARC)  
ON TURNKEY BASIS

[निविदा सं. 400/2019/1432/BYO/Others दिनांक फ़रवरी 14, 2019]  
[RFP No. 400/2019/1432/BYO/Others dated February 14, 2019]

**Notice of Confidentiality:**

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**Important Clarifications**

Some terms have been used in the document interchangeably for the meaning as mentioned below:

- i. 'The Bank' or 'SIDBI' or 'Buyer' means 'Small Industries Development Bank of India'.
- ii. 'Successful Bidder' refers to the bidder who gets selected by the Bank after completion of evaluation process.
- iii. 'Service Provider' refers to the successful bidder who provides the services to the Bank after the contract is awarded by the Bank, also abbreviated as 'SP'.
- iv. 'RfP' or 'Tender' means the 'Request for Proposal' document.
- v. 'Bid' may be interchangeably referred to as 'Offer'.
- vi. 'Commercial Bid' may be referred interchangeably as 'Financial Bid'.
- vii. 'Respondent / Recipient / Bidder / Applicant / Merchant Banker' means the eligible entity or firm which is submitting its proposal for providing services to SIDBI.
- viii. 'Partner' means a professional sharing profit in the firm / LLP as defined under Partnership Act and / or Limited Liability Partnership Act.
- ix. 'Personnel / Professional' means full time staff who is on the payroll of the bidder.
- x. 'Proposal / Bid' means the Technical Proposal and the Commercial Proposal.
- xi. 'Assignment / Job' means the work to be performed by the Merchant Banker pursuant to the contract.
- xii. 'Contract' means the appointment letter / contract signed by the parties and all the attached documents and the appendices.
- xiii. 'Day' means calendar day.
- xiv. 'Parties'- party or parties means SIDBI or Bidder / Selected Bidder / Merchant Banker or both as the case may be.
- xv. Financial Institutions (FIs) means Export - Import Bank of India (Exim Bank), National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), National Housing Bank (NHB) and India Infrastructure Finance Company Ltd (IIFCL).

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## Critical Information/ महत्वपूर्ण सूचना

(RfP No. 400/2019/1432/BYO/Others dated February 14, 2019)

SNo. क्र.सं.	Events / कार्यक्रम	Date/ तिथि	Time/ समय
1	Last date for seeking clarifications for pre-bid meeting/ पूर्व-बोली बैठक के लिए स्पष्टीकरण की मांग की अंतिम तिथि	Clarification, if any, regarding RfP may be asked in writing through e-mail not later than February 21, 2019 on mail id: <a href="mailto:rfp_aic@sidbi.in">rfp_aic@sidbi.in</a>	5:00 pm
2	Pre-Bid meeting ( <i>no clarifications would be given after pre-bid meeting</i> )/ पूर्व-बोली बैठक (पूर्व-बोली बैठक के बाद कोई भी स्पष्टीकरण नहीं दिया जाएगा।)	February 25, 2019	3:00 pm
3	Last date for submission of bids/ बोली जमा करने की अंतिम तिथि	March 07, 2019	1:00 pm
4	Address for Bid Submission/ बोली जमा करने का पता	<b>महाप्रबन्धक /</b> <b>The General Manager,</b> Associate Institutions Cell (AIC), Small Industries Development Bank of India, SWAVALAMBAN BHAVAN, 2 <sup>nd</sup> Floor, Plot No. C-11, G Block, Bandra Kurla Complex, Bandra (E), <b>Mumbai - 400 051</b> Phone: 022-67531230	
5	Date & Time of Opening of Minimum Eligibility bid & Technical bid / न्यूनतम व तकनीकी बोली खोलने की तिथि व समय	March 07, 2019	3:00 pm
6	Bid Validity/ बोली के वैद्यता	<b>365 days</b> from the last date of bid submission. बोली जमा करने की अंतिम तिथि से <b>365 दिनों</b> तक।	
7	Date and time of opening of commercial bids / वाणिज्यिक बोली खोलने की तिथि व समय	To be intimated at a later date बाद में सूचित किया जायेगा	
8	Contact details of SIDBI official सिडबी अधिकारियों के संपर्क विवरण	The General Manager (AIC) 022-67531230	The Dy. General Manager (AIC) 022-67531285
		<a href="mailto:rfp_aic@sidbi.in">rfp_aic@sidbi.in</a>	

## **1. Introduction and Disclaimers**

### **1.1 Preface**

This Request for Proposal document ('RfP document' or RfP) has been prepared solely for the purpose of enabling SIDBI to select Merchant Banker for divestment of **86.40%** or more stake of SIDBI and other shareholders in **India SME Asset Reconstruction Company Ltd (ISARC)** on turnkey basis. The RfP document is not a recommendation, offer or invitation to enter into a contract, agreement or any other arrangement, in respect of the services. The provision of the services is subject to observance of selection process and appropriate documentation being agreed between SIDBI and any successful Bidder as identified by SIDBI, after completion of the selection process as detailed in this document.

### **1.2 Information Provided**

The RfP document contains statements derived from information that is believed to be relevant at the date but does not purport to provide all of the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with SIDBI. Neither SIDBI nor any of its employees, agents, contractors, or advisors gives any representation or warranty, express or implied, as to the accuracy or completeness of any information or statement given or made in this document. Neither SIDBI nor any of its employees, agents, contractors, or advisors has carried out or will carry out an independent audit or verification exercise in relation to the contents of any part of the document.

### **1.3 For Respondent only**

The RfP document is intended solely for the information of the party to whom it is issued ("the Recipient" or "the Respondent" or "the Bidder") i.e. Partnership Firm / Limited Liability Partnership / Company registered in India. It should not be Individual / Proprietary Firm / HUF etc.

### **1.4 Disclaimer**

Subject to any law to the contrary, and to the maximum extent permitted by law, Bank and its directors, officers, employees, contractors, representatives, agents, and advisers disclaim all liability from any loss, claim, expense (including, without limitation, any legal fees, costs, charges, demands, actions, liabilities, expenses or disbursements incurred therein or incidental thereto) or damage, (whether foreseeable or not) ("Losses") suffered by any person acting on or refraining from acting because of any presumptions or information (whether oral or written and whether express or implied), including forecasts, statements, estimates, or projections contained in this RfP document or conduct ancillary to it whether or not the Losses arise in connection with any ignorance, negligence, inattention, casualness, disregard, omission, default, lack of care, immature information, falsification or misrepresentation on the part of Bank or any of its directors, officers, employees, contractors, representatives, agents, or advisers.

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**1.5 Costs to be borne by Respondents**

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All costs and expenses incurred by Respondents in any way associated with the development, preparation, and submission of responses, including but not limited to the attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by SIDBI, will be borne entirely and exclusively by the Respondents.

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**1.6 No Legal Relationship**

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No binding legal relationship will exist between any of the Respondents and SIDBI until execution of a contractual agreement.

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**1.7 Recipient Obligation to Inform Itself**

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The Recipient must apply its own care and conduct its own investigation and analysis regarding any information contained in the RfP document and the meaning and impact of that information.

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**1.8 Evaluation of Offers**

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Each respondent acknowledges and accepts that SIDBI may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for short listing / selecting the eligible service provider(s). The RfP document will not form part of any contract or arrangement, which may result from the issue of this document or any investigation or review, carried out by a recipient.

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**1.9 Acceptance of Selection Process**

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Each Recipient / Respondent having responded to this RfP acknowledges to have read, understood and accepts the selection & evaluation process mentioned in this RfP document. 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.

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**1.10 Errors and Omissions**

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Each Recipient should notify SIDBI of any error, fault, omission, or discrepancy found in this RfP document but not later than seven business days prior to the due date for lodgment of response to RfP.

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**1.11 Acceptance of Terms**

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Recipient will, by responding to SIDBI's RfP, be deemed to have accepted the terms of this Introduction and Disclaimer.

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**1.12 Request for Proposal**

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(a) Recipients are required to direct all communications related to this RfP, through the Nominated Point of Contact persons :

Contact persons	Telephone	Email ID
General Manager, Associate Institutions Cell, SIDBI, Mumbai	022 – 67531230	<a href="mailto:rfp_aic@sidbi.in">rfp_aic@sidbi.in</a>
Deputy General Manager, Associate Institutions Cell, SIDBI, Mumbai	022 – 67531285	

(b) SIDBI may, in its absolute discretion, seek additional information or material from any Respondents after the RfP closes and all such information and material provided must be taken to form part of that Respondent's response.

(c) Respondents should provide details of their contact person, telephone, mobile, fax, e-mail and complete address to ensure that replies to RfP could be conveyed promptly.

(d) If SIDBI, in its absolute discretion, deems that the originator of the question will gain an advantage by a response to a question, then SIDBI reserves the right to communicate such response to all Respondents.

(e) SIDBI may, in its absolute discretion, engage in discussion with any Respondent (or simultaneously with more than one Respondent) after the RfP closes to improve or clarify any response.

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### **1.13 Notification**

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SIDBI will notify all short-listed Respondents in writing or by email as soon as practicable about the outcome of the RfP. SIDBI is not obliged to provide any reasons for any such acceptance or rejection.

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## **2. Information to Bidders**

### **2.1 Bid Price**

Non-refundable Bid Price of `1,000/- (Rupees One Thousand only) by way of Banker's Cheque/ Demand Draft/ Pay Order drawn on a scheduled commercial bank, favoring "Small Industries Development Bank of India", payable at Mumbai must be submitted along with RfP response.

### **2.2 Earnest Money Deposit (EMD)**

1. All the responses must be accompanied by a refundable interest free Earnest Money Deposit (EMD) of `50,000/- (Rupees Fifty Thousand only).
2. EMD should be in the form of Demand Draft / Pay order / Bankers Cheque in favour of "Small Industries Development Bank of India" payable at Mumbai.
3. The Demand Draft should be of a Scheduled Commercial Bank only and will be accepted at the discretion of the Bank.
4. No interest will be paid on EMD.
5. The EMD amount of all unsuccessful bidders would be refunded upon occurrence of any of the following events, whichever is earlier:
  - a) Receipt of acceptance of the contract from the successful bidder.

**OR**

- b) The end of the bid validity period, including extended period (if any),
6. Successful Bidder will be refunded the EMD amount after successful completion of the assignment in pursuance of the signed contract/documents by the bidder.
7. The EMD may be forfeited if:
  - a) Bidder withdraws its bids during the period of bid validity.
  - b) Bidder makes any statement or encloses any form which turns out to be false/ incorrect at any time prior to signing of the contract.
  - c) In case of successful Bidder, if the Bidder fails to sign the contract.
  - d) Besides forfeiting the EMD, the Bank may ban the bidder from subsequent bidding for a period of 3 years.

### **2.3 RfP closing date**

Response to RfP should be received by SIDBI not later than the time mentioned in 'Critical Information' section above, at the defined address of SIDBI Office premises.

### **2.4 RfP Validity Period**

The Bids must remain valid and open for evaluation according to their terms for a period of **365 days** from the date of the submission of bids.

### **2.5 Late RfP Policy**

Responses received after the due date / time would be considered late and may not be accepted or opened. Bids received late shall be returned un-opened **within 02 weeks from the bid submission date.**

### **2.6 Receiving of RfP Response**

The submission of the response should be in the format outlined in this RfP and should be submitted preferably through hand delivery or alternatively, through post or courier. The

responses shall be deposited in the Tender Box kept at the SIDBI premises at Mumbai. If the RfP response does not include all the documents and information required or is incomplete or submission is through email mode, the RfP is liable to be summarily rejected. All submissions, including any accompanying documents, will become the property of Bank. The recipient shall be deemed to have licensed, and granted all rights to the Bank to reproduce the whole or any portion of their submission for the purpose of evaluation and to disclose and/or use the contents of the submission as the basis for any resulting RfP process.

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## **2.7 Requests for information**

1. Recipients are required to direct all communications for any clarification related to this RfP, to the designated Bank officials and must communicate the same in writing by the time mentioned in 'Critical Information' section above. No query / clarification would be entertained over phone.
2. All queries relating to the RfP, technical or otherwise, must be in writing only and may be sent via email. The Bank will try to reply, without any obligation in respect thereof, every reasonable query raised by the Recipients in the manner specified. However, the Bank will not answer any communication reaching the bank later than the time stipulated for the purpose.
3. The Bank may in its absolute discretion seek, but under no obligation to seek, additional information or material from any Respondents after the RfP closes and all such information and material provided must be taken to form part of that Respondent's response. Respondents should invariably provide details of their email address as responses to queries will be provided to all Respondents via email.
4. The Bank may in its sole and absolute discretion engage in discussion with any Respondent (or simultaneously with more than one Respondent) after the RfP closes to clarify any response.

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## **2.8 Pre-Bid Meeting**

1. The Bank shall hold a pre-bid meeting on the date and time mentioned in 'Critical Information' section above. Purpose of the meeting is to bring utmost clarity on the scope of work and terms of the RfP being floated. The Bidders are expected to use the platform to have all their queries answered. No query will be entertained after the pre-bid meeting.
2. It would be the responsibility of the Bidders to be present at the venue of the meeting.
3. Clarification sought by bidder should be made in writing (Letter/E-mail etc.) and submitted on or before the date as indicated in the "Critical Information" Section. Bank has discretion to consider any other queries raised by the bidder's representative during the pre-bid meeting.
4. The text of the clarifications asked (without identifying the source of enquiry) and the response given by the Bank, together with amendment to the bidding document, if any, will be posted on the Bank website ([www.sidbi.in](http://www.sidbi.in)) and Central Public Procurement Portal (CPPP) (<https://eprocure.gov.in>) within 3 working days of the pre-bid meeting. It would be the responsibility of the Bidder to check the websites before final submission of bids.
5. If SIDBI, in its absolute discretion, deems that the originator of the question will gain an advantage by a response to a question, then SIDBI reserves the right to communicate such response to all Respondents.

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## **2.9 Disqualification**

Any form of canvassing/ lobbying/ influence/ query or request regarding short listing, status etc. will result in a disqualification.

## 2.10 Selection process

Successful Bidder will be selected through three bids evaluation process:

[A]. Eligibility evaluation [B]. Technical evaluation [C]. Commercial evaluation.

## 2.11 Details of Bids to be Submitted

1. Bidders are required to submit their responses in THREE envelopes, with contents of each as under:

Envelope	Bid Contents	No. of Copies	Label of Envelope
I	<p><b>Minimum Eligibility Bid</b></p> <ul style="list-style-type: none"> <li>i. Response to Minimum Eligibility Criteria as per format prescribed in <b>Annexure-D</b></li> <li>ii. DDs/Instruments towards bid price</li> <li>iii. DDs/Instruments towards Earnest Money Deposit (<b>EMD</b>)</li> <li>iv. Declaration regarding clean track record, as per format prescribed in <b>Annexure-E</b></li> <li>v. Bank Mandate Form as per format prescribed in <b>Annexure-F</b></li> </ul>	One Hardcopy	<p><b>"Minimum Eligibility - Appointment of Merchant Banker - RfP No. 400/2019/1432/BYO/ Others dated February 14, 2019"</b></p>
II	<p><b>Technical Bid</b></p> <p>The Technical Bid should contain the following information:</p> <ul style="list-style-type: none"> <li>i. Covering letter along with proposal form as per <b>Annexure- A</b> of this document.</li> <li>ii. Bidder's Profile along with necessary documentary evidence required for the present RfP engagement and all relevant enclosures as detailed in <b>Annexure-B</b> of this document.</li> <li>iii. Any additional information including assumptions that the Merchant Banker may think fit but not included elsewhere in the proposal, which will help the Bank to assess the capabilities of the Merchant Banker.</li> <li>iv. Duly signed authority letter by the competent authority of the bidder, authorizing the executants to sign the bid on behalf of the firm.</li> </ul> <p>Note: Technical Bid shall not include any financial information. A technical bid containing information on the commercial bid shall be declared invalid and be rejected.</p>	One Hardcopy	<p><b>"Technical Bid - Appointment of Merchant Banker - RfP No. 400/2019/1432/BYO/ Others dated February 14, 2019"</b></p>
III	<p><b>Commercial Bid</b></p> <p>Commercial Bid as per format prescribed in <b>Annexure- C</b></p>	One Hardcopy	<p><b>"Commercial Bid- Appointment of Merchant Banker - RfP No. 400/2019/1432/BYO/ Others dated February 14, 2019"</b></p>

			Others dated February 14, 2019"
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Above mentioned three separately sealed envelopes should be put together in another large sealed envelope super-scribing "Appointment of Merchant Banker - RfP No. 400/2019/1432/BYO/Others dated February 14, 2019"

2. All the individual envelopes must be super-scribed with Name of the bidder, Contact Number and mail id etc.
3. Bids should be enclosed with all relevant documentary proofs / certificates duly sealed and signed.

**2.12 Pre Contract Integrity Pact (IP)**

- (a) IP is an agreement between the prospective bidders and the buyer committing the persons / officials of both the parties not to exercise any corrupt influence on any aspect of the contract.
- (b) The bidder has to submit signed Pre Contract Integrity Pact (IP) as per the format at **Annexure-H** on the letter head of the bidder. However, the successful bidder has to submit the same in non-judicial stamp paper of requisite value (to be borne by the bidder) applicable at the place of execution before the issue of Work Order.

**2.13 Non-disclosure Agreement**

Selected bidder has to submit Non-disclosure Agreement as per the format at **Annexure- G**.

**2.14 Important**

Bidders must take the following points into consideration during preparation and submission of bids:

1. All the pages of the response must be sealed and signed by the authorized signatory of the Respondent. Relevant documents must be submitted as proof wherever necessary.
2. Faxed/e-mailed copies of any submission are not acceptable and will be rejected by the Bank.
3. Responses should be concise and to the point. Submission of irrelevant documents must be avoided.
4. If the bids do not contain all the information required or is incomplete, the proposal is liable to be rejected.
5. The RfP is floated on SIDBI website <http://www.sidbi.in>, Central Public Procurement Portal (CPPP) at <https://eprocure.gov.in>. SIDBI reserves the right to change the dates mentioned under 'Critical Information'. Changes and clarification, if any, related to RfP will be posted on SIDBI website and CPPP. Bidders must have close watch on SIDBI website and CPPP during the intervening period before submitting response to RfP.
6. The bidder cannot quote for the project in part.
7. Each bidder shall submit only one proposal.

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### **3. Background**

#### **3.1 Introduction**

SIDBI, set up on April 2, 1990 under an Act of Indian Parliament, acts as the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector and for Co-ordination of the functions of the institutions engaged in similar activities. The business strategy of SIDBI is to address the financial and non-financial gaps in MSMEs eco-system. Financial support to MSMEs is provided by way of (a) Refinance to banks / Financial Institutions for onward lending to MSMEs and (b) Direct finance to MSMEs including in the niche areas like sustainable finance, receivable financing, service sector financing, etc.

Please visit SIDBI website at [www.sidbi.in](http://www.sidbi.in) for more information about SIDBI.

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## **4. Project Scope**

### **4.1 Objective**

4.1.1 SIDBI, on its behalf and on behalf of other shareholders, intends to divest 86.40% or more stake of SIDBI and other shareholders in India SME Asset Reconstruction Company Ltd. (ISARC) through a competitive bidding process to be submitted by SEBI approved Category-I Merchant Banker, hereinafter called "Bidder". The successful bidder would be entitled for payment on percentage terms, which would be linked to the realization value of the aforesaid company's stake and the payment shall be effected on successful completion of sale process. The scope of the assignment will be to (i) undertake an assessment of fair market value of ISARC as detailed at 4.2 (A) below, adopting, inter alia, various methodologies / techniques / best market practices predominantly used to arrive at the valuation of the such said company, (ii) Submit valuation report along with recommended reserve price to SIDBI for its acceptance, (iii) Arrange Investor(s) for purchase of equity shares of the said company, (iv) Finalise the investor in consultation with SIDBI and (v) Complete the process of transfer of shares on realization of consideration by SIDBI and other shareholders.

The scope of the assignment also includes advising SIDBI on the procedures, compliances with Laws, Rules, Regulations etc. on divestment and managing the disinvestment process on turn key basis (i.e. end to end till successful conclusion of the transaction in the form of realization of the consideration by SIDBI & other shareholders and transfer of shares of SIDBI & other shareholders in favour of the investor arranged by the Bidder).

4.1.2 The assignment would be awarded to the Bidder as per the process detailed at Para 6. Detailed scope and various segments of the assignment have been described at para "4.2".

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### **4.2 Project Scope / Terms of Reference (ToR):-**

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(A) The Merchant Banker shall be responsible for making an assessment of fair market value of ISARC, adopting, inter alia, the procedures stipulated under applicable laws and various methodologies / techniques / best market practices predominantly used to arrive at the valuation of such company. Valuation Report of the ISARC along with recommended Reserve Price are to be submitted within 10 working days from the date of assignment by the Merchant Banker to SIDBI for its acceptance. Acceptance of the same shall be subject to sole discretion of SIDBI.

The brief of ISARC including details of SIDBI's & other shareholders' shareholding is enclosed in **Appendix (i) & (ii)**.

(B) Further, the Merchant Banker shall also be responsible:

(a) To arrange Investor, in consultation with SIDBI, for purchase of equity shares of ISARC, held by SIDBI & other shareholders, on realization value basis and facilitating / managing the entire transaction on turn key basis, till its successful completion. The discretion for selection of the ultimate Investor would however, rest with SIDBI.

(b) The Terms of Reference (ToR) for the Bidder shall include, but not limited to, the following:

- (i) Valuation, identification of the prospective Investors, providing information on ISARC to the Investors and completion of the entire process of transfer of shares on realization of consideration by SIDBI and other shareholders of ISARC. The discretion for selection of the ultimate Investor would however, rest with SIDBI.
- (ii) Assisting and arranging at their own cost in finalization and execution of requisite agreements (Share Purchase Agreement, etc.), and all legal documentation, advising on compliances with laws, rules, regulations required for completing the transaction.
- (iii) Ensuring compliance of all regulatory and statutory requirements including obtaining requisite Government/ statutory approvals and clearances, wherever necessary and coordinating / monitoring the progress of the transaction until its completion.
- (iv) It will be responsibility of the Bidder that the investor qualifies in all the acceptance criterion including "Fit & Proper", eligible to acquire equity shares under the laws, rules, regulations of India, as applicable. Submission of all the required documents to be provided in this regard, is to be ensured by the Bidder.
- (v) The Bidder shall ensure that no misrepresentation is made either by them or by the investor. SIDBI should be indemnified by the Bidder against any claim / loss that may arise on account of such misrepresentation made either by the Bidder or the Investor.
- (vi) Advising on post-sale matters, including but not limited to compliance of all the laws, rules, regulations regarding the transaction.
- (vii) Providing any other analytical and transactional support required by SIDBI for successful completion of the transaction.
- (viii) Taking all steps as required under regulatory norms like obtaining KYC document(s) of investor and providing the KYC documents to SIDBI, approval of regulatory authority etc. wherever required.

(C) SIDBI on its behalf and on behalf of other shareholders of ISARC reserves the right to dispose-off 86.40% or more stake in ISARC and SIDBI's decision in this regard shall be final and binding. Further, SIDBI also reserves the right to withdraw the sale process in respect of ISARC at any point of time, at any stage or modify the process or any part thereof or to vary any terms at any time, without assigning any reason whatsoever.

The ToR mentioned above are indicative and non-restrictive in nature. There may be some services relevant but not expressly captured in the aforesaid ToR, which upon being brought to the notice of the Bidder by SIDBI will also form part of the ToR. No further fee or remuneration shall be paid to the Bidder for such addition in the ToR.

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### **4.3 General**

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- a) The Bank shall appoint a Merchant Banker as per the needs and requirements of the Bank. The selection will be on the basis of eligibility criteria, past experience, credentials and suitability. However, merely satisfying the eligibility criteria will not entitle an applicant to be selected.
- b) The evaluation of the bids will be done by the Bank. Decision of the Bank in all matters regarding appointment of Merchant Banker, its eligibility, the stages at which such scrutiny of eligibility is to be undertaken, the documents to be produced, award of assignment and any other matter relating to this notification will be final and binding on the bidders. No correspondence or personal enquiries shall be entertained by the Bank in this regard.

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## 5. Minimum Eligibility Criteria

- (1) Proposals not complying with the 'Minimum Eligibility criteria' are liable to be rejected and will not be considered for further evaluation.
- (2) The proposal should adhere to the following minimum eligibility criteria.

S.No.	Eligibility Criteria	Documents to be submitted
1	The Bidder should be a Category I Merchant Banker approved by SEBI and should be qualified to undertake the assignment.	Copy of valid Certificate of Registration of Category-I Merchant Banker issued by SEBI or any equivalent document.
2	The Bidder shall be a Merchant Banker with experience of 5 (five) years or more. The bidder should have necessary domain expertise of having handled atleast one deal (of `100 Crore or more) of similar nature in the stressed asset space in India from April 01, 2015 till the date of this RfP.	<p>Copy of certificate of incorporation / registration or other Constitutional Documents.</p> <p>In respect of assignments undertaken from April 01, 2015 till the date of this RfP, certificate from its Client and / or certificate from statutory auditors indicating fee income received from those business.</p> <p>Details of activities outsourced, if any.</p> <p>In case of difficulty in getting its client's certificate, firm / company statutory auditors certificate be submitted along with the details of the client, contact person &amp; other related details so that Bank can undertake independent verification of the bidders claim.</p> <p>In the event of non-submission of contact details for verification of the completed assignments or nil / non-satisfactory response received from the clients on verification by the Bank, no marks shall be awarded for such assignments.</p>
3	The Bidder must have minimum audited turnover of not less than `50 Crore (Rupees Fifty Crore) per annum in the last 3 (three) years.	Audited financial statements to support the eligibility.
4	The bidder should not have been prohibited / barred / black listed / disqualified by any regulatory authority / court or tribunal or any authority offering such services / statutory body / Central Government / State Government / SEBI / RBI or	Self-declaration / Certificate to this effect.



	IRDA or any authority in India in the past or is pending.	
5	Bidding in Consortium is not permitted.	Self-declaration / Certificate to this effect.
6	The Bidder's Firm / company should not be owned or controlled by any Director or Employee of SIDBI and its subsidiaries/associate institutions.	A self-declaration by the Bidder on Bidder's letter head.
7	No pending litigation(s) and contingent liabilities, which could affect the performance of the Bidder under the mandate.	Details of pending litigation(s) and contingent liabilities, if any, that could affect the performance of the Bidder under the mandate, as also the details of any past conviction and criminal proceeding(s) against sponsors/ Directors/ partners of the Bidder.
8	There should not have been any disciplinary action / adverse order against the Bidder by any company / entities / regulator / statutory authority.	A Declaration on the Letter Head of the Bidder that the Bidder has not been debarred or blacklisted by anyone and no adverse order(s) has been passed against the Bidder by any company / entities / regulator / statutory authority.
9	Others	Area of possible conflict of interest, if any.

### (3) Conflict of Interest.

[a] The Merchant Banker shall not receive any remuneration in connection with the assignment except as provided in the contract.

[b] The Merchant Banker and its affiliates shall not engage in such activities that conflict with the interest of the Bank. The Merchant Banker should provide professional, objective and impartial advice and at all times hold the Bank's and other shareholders of ISARC interests paramount, without any consideration for future work, and that in providing advice, they should avoid conflicts with other assignments and their own corporate interests. It is clarified that the bidder shall not undertake any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the bank.

[c] Without limitation on the generality of the foregoing, the selected bidder and any of their affiliates and member firms, shall be considered to have conflict of interest and shall not be engaged under any of the circumstances set forth below:

(i) Conflict among merchant banking assignments: Merchant Banker (including their personnel) or any of their affiliates and members shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the Merchant Banker to be executed for the same or / and any other employer.

(ii) Relationship with the staff: Merchant Banker (including their personnel) that have a business or family relationship with a member of SIDBI's staff or other stakeholders of ISARC who are directly or indirectly involved in any part of (a) the preparation of the RfP or the contract or terms of reference or assignment, (b) the selection process

for such assignment / contract, or (c) supervision of such contract; may not be awarded a contract, unless it is established to the complete satisfaction of the employing authority, for the reason to be recorded in writing, that such relationship would not affect the aspects of fairness and transparency in the selection process and monitoring of Merchant Bankers' work because of resolution of conflict stemming from such relationship in a fair and reasonable manner throughout selection process and execution of the contract.

[d] The bidders have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interests of the Bank, or that may reasonably be perceived as having this effect. The bidders will disclose in their tender details of any circumstances, including personal, financial and business activity that will, or might, give rise to a conflict of interest if they are awarded contract pursuant to RFP.

[e] If tenderer identify any potential conflict, at any stage of their engagement, they should forthwith inform the Bank and state how they intend/plan to avoid such conflicts.

[f] SIDBI reserves the right to reject any tender which, in SIDBI's opinion, gives rise, or could potentially give rise to, a conflict of interest. The decision of SIDBI shall be final and binding on all the parties.

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## 6. Evaluation Methodology

### 6.1 Evaluation process

1. The Bank has adopted a three (3) bid process in which the Bidder has to submit following bids in separate envelopes at the time of submission of bids as stipulated in this document.

a. *Minimum Eligibility Criteria*

b. *Technical Bid*

c. *Commercial Bid*

2. The Bank shall evaluate first the 'Eligibility Criteria' bids. In the event of eligibility criteria being met, the Technical Bids will be opened and scores will be given based on the bid submission.

(a) bidders scoring a minimum of 75% marks in the technical bid will qualify for commercial evaluation and their commercial bids will be opened.

(b) For final award of the assignment, a combined evaluation shall be done by applying a weightage of 70 and 30 for the technical and commercial scores respectively, according to the following formula for those found qualified in the technical bidding.

**Combined score of Bidder "x" will be computed as follows:**

**Combined score** = 70 \* (Technical score of Bidder "x" / Highest Technical Score among all Qualified Bidders)

PLUS

30 \* (Lowest Commercial Bid among all Qualified Bids / Commercial bid of Bidder "x")

(c) All marks will be rounded off up to 2 decimal places.

(d) In case of a tie, preference will be given to the bidder having higher technical score.

3. The successful bidder will be the one who secures highest combined score. Shortlisted bidders will be ranked on the basis of the above combined score. The bidder securing highest combined score shall be recommended for award of the contract.

4. The evaluation of the Bids by the Bank will be undertaken by a Committee constituted by the Bank and its decision will be final.

5. All the documentary proofs are to be submitted along with the bid in this regard.

6. 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.

7. During evaluation, Bank at its discretion can ask the bidders for clarifications.

8. Bank may waive off any minor infirmity or nonconformity or irregularity in a bid, which does not constitute a material deviation, provided such a waiving, does not prejudice or affect the relative ranking of any bidder.

9. SIDBI reserves all rights to accept or reject any or all proposals without assigning any reasons thereof.

## 6.2 Technical Scoring methodology:

The technical scoring of the proposals will broadly be on the following criteria:

S. No.	Description			Total
1.	Profile of the Bidder			20
	Established presence in India		5	
	Established for 10 yrs and above	5		
	More than 7 yrs: less than 10 yrs	3		
	More than 5 yrs: less than 7 yrs	2		
	Global presence/ Network		5	
	Profile & business activities of the bidder for last 3 financial years (Audited)		5	
	Average annual turnover from consultancy services relating to disinvestment / strategic sale / investment banking / QIP / private placement of buy or sell transactions / M & A / Valuation / Due Diligence more than INR 10 crore	5		
	Average annual turnover from consultancy services relating to disinvestment / strategic sale / investment banking / QIP / private placement of buy or sell transactions / M & A / Valuation / Due Diligence more than INR 5 crore and less than INR 10 crore	3		
	Average annual turnover from consultancy services relating to disinvestment / strategic sale / investment banking / QIP / private placement of buy or sell transactions / M & A / Valuation / Due Diligence less than INR 5 crore	2		
	Bidder must have a dedicated advisory team in India with local presence in Mumbai to ensure liaison / interaction with management of the Bank		5	
	Presence in Mumbai with / without office elsewhere in India	5		
	Presence in other places without office in Mumbai	3		
2	Transaction Expertise			25
	Experience & understanding in Banking, Financial Services and Insurance (BFSI) from April 01, 2015 till the date of this RfP- Number of transactions with consultancy services relating to disinvestment / strategic sale / investment banking / QIP / private placement of buy or sell transactions / M & A / Valuation / Due Diligence		5	
	Above 5 transactions	5		
	3 to 5 transactions	3		
	Experience & understanding of transactions handled in stressed asset space from April 01, 2015 till the date of this RfP			

	Number of transactions		10	
	5 or more transactions	10		
	At least 2 but less than 5 transactions	5		
	At least 1 transaction	3		
	Cumulative size of transactions handled in stressed asset space from April 01, 2015 till the date of this RfP		10	
	Cumulative transaction size above INR 1,000 crore	10		
	Cumulative transaction size above INR 500 crore and less than INR 1,000 crore	5		
	Cumulative transaction size less than INR 500 crore	3		
3	Team Profile			25
	Details such as qualification, experience, quality of key resources in the deal team, status of resources in the organization, their background, etc.		20	
	With 5 Partners or full time professional staff in deal team in India having M & A advisory experience in divestment / stake sale transactions <b>AND</b> Stressed asset transactions	20		
	At least 2 but less than 5 Partners or full time professional staff in deal team in India having M & A advisory experience in divestment / stake sale transactions <b>AND</b> Stressed asset transactions	15		
	With 5 Partners or full time professional staff in deal team in India having M & A advisory experience in divestment / stake sale transactions <b>OR</b> Stressed asset transactions	10		
	At least 2 but less than 5 Partners or full time professional staff in deal team in India having M & A advisory experience in divestment / stake sale transactions <b>OR</b> Stressed asset transactions	5		
	Capability & Commitment of the Team to provide comprehensive transaction advisory service		5	
	If all resources are from in-house	5		
	If outsourced resources	2		
4.	Technical Presentation			30
	Total			100

Indicative Coverage in Technical Presentation

- Understanding of stressed assets and asset reconstruction industry in India
- Valuation methodologies proposed to be used

- Understanding of potential domestic and international investors and relationships with team
  - Overview of the Bidder Profile, Transaction expertise and Team Profile submitted as part of the Technical Bid (refer Technical Bid Evaluation Criteria)
  - Bidder's approach and timelines for the proposed transaction
- a) All bidders scoring more than 75 marks (in Technical Criteria) will be selected as the Technically Qualified Bidder. In case, less than three bidders get more than 75 marks, the top three bidders getting the maximum marks in Technical Capability will be selected as the Technically Qualified Bidder, subject to them getting at least 65 marks.
- b) The technically qualified bidders alone will be informed of the date of opening of the financial bid for appointment as Merchant Banker. **The decision of SIDBI shall be final and binding on all the parties in this regard.**

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### **6.3 Evaluation of Commercial Bid**

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1. The Bidder has to submit bid for its services for divestment of **86.40%** or more stake of SIDBI and other shareholders in **India SME Asset Reconstruction Company Ltd (ISARC)** on turnkey basis. The Bidder may introduce investors for **sale of equity in single lot** in consultation with SIDBI.
2. Commercial bid should be submitted strictly in the format given by the Bank as per **Annexure-C** of this document and should not have any deviations, restrictive statements, etc. therein. Otherwise, such bids are liable to be rejected at the sole discretion of the Bank. The price shall be quoted in Indian Currency only and shall be all inclusive and shown in commercial bid. No separate fees other than GST, as applicable, at the time of payment shall be made by the Bank.
3. Date of opening of Commercial bid would be advised after completion of the process of evaluation of Technical Bid.
4. Bidders who score minimum 75 out of 100 marks on the technical evaluation criteria as mentioned above will only be considered. The Commercial bids of the applicants with technical marks less than 75 will not be considered for commercial/financial evaluation.
5. In case the number of bidders qualifying in the technical evaluation stage is less than 3, then it is Bank's discretion to choose the top 3 scorers subject to minimum of 65 out of 100 marks on the technical evaluation or discontinue the evaluation process or re-tender.
6. The commercial bid will be evaluated by an In-house Committee constituted by SIDBI.

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## 7. General terms and conditions to contract

Bidder should examine the documents constituting this RfP in detail to prepare the Proposal. In case of deficiencies in the information required/requested, the proposal may be rejected.

### 7.1 Non-transferable bid

- a) This bid document is not transferable.
- b) The bidder should also submit a declaration on the letter head to the effect that he has not made any modification in the original copy of RfP and his bid would be liable for rejection for any violation of the above.

### 7.2 Format and signing of Bid

Each page of the bid shall be made in the legal name of the bidder and shall be signed and duly stamped by the bidder or a person duly authorized to sign on behalf of the bidder.

### 7.3 Process of Final selection

Bidders who achieve overall score of 75% & above in Technical Evaluation will qualify for the next stage of evaluation (Commercial bid evaluation). The weightage for the technical and commercial scoring will be 70 and 30 respectively.

In respect of all qualified bidders, in whose case the commercial bid has been opened, a combined techno commercial evaluation will be done by the Bank as per clause 6 of RfP.

### 7.4 Award of Contract

In the case of tie between two or more bidders, preference will be given to the bidder having higher technical scoring.

### 7.5 Clarification of Bids

During evaluation of bids, if found necessary, Bank may seek clarification of the bid from the bidder. The request for clarification and the response shall be in writing.

### 7.6 Notification of Awards

- a) The acceptance of a bid, subject to technical compliance, commercial considerations & compliance with all the terms and conditions will be communicated in writing by means of and offer of contract / service order at the address supplied by the bidder in the tender response.
- b) Any change of address of the Bidder, should therefore be promptly notified to:  
**The General Manager,**  
Associate Institutions Cell,  
Small Industries Development Bank of India  
SWAVALAMBAN BHAVAN, 2<sup>nd</sup> Floor,  
Plot No. C-11, G Block, Bandra Kurla Complex (BKC),

Bandra (E), Mumbai - 400 051

- c) The written offer of contract / order issued to the successful bidder would need to be accepted by the bidder in writing within 7 days from the date of issue of the offer.

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## **7.7 Acceptance of Work Order**

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The successful bidder will be required to accept the work order issued by the Bank within 7 days of work order and deliver the acceptance copy to the Bank. The failure, delay or evasion on the part of the successful bidder to accept the work order will result in cancellation of work order as also forfeiture of EMD amount. Bank may start the entire RfP process afresh.

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## **7.8 Schedule for the proposed assignment & Payment Terms**

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- 7.8.1 The assignment shall be considered complete and successful upon transfer of equity stake of SIDBI and other shareholders in ISARC to the prospective investor(s) preceded by transfer of sale proceeds to the bank account of SIDBI and other shareholders of ISARC in proportion of their shareholding. The same should be completed within 4 months from the date of assignment. However, the term may be extended at the discretion of SIDBI, without changing the terms of the assignment.
- 7.8.2 The all-inclusive fee shall be quoted in the commercial / financial proposal separately as per the format furnished at Annexure-C.
- 7.8.3 The Bidder shall be eligible for the all-inclusive fee in accordance with the conditions mentioned at para 7.8.5 below after the conclusion of transaction including receipt of consideration amount by SIDBI and other shareholders of ISARC in proportion of their shareholding arising out of sale of equity in ISARC and transfer of shares in favour of the investor. No other fee / expenses, including reimbursement for travel / out of pocket expenses etc. shall be payable to the Bidder by SIDBI.
- 7.8.4 The period of the assignment may also be extended by SIDBI, without changing the terms of the assignment, if approval of RBI or any other regulatory authority is awaited.
- 7.8.5 The fee will be paid to the Bidder, after successful conclusion of the share sale transaction and after submission of the required documents (true copies) to SIDBI and other shareholders viz. copies of final Share Purchase Agreements (SPAs) signed by both seller & Buyer (if any), KYC documents of the buyer, necessary documents regarding transfer of shares in favour of investors and completion of such other requirements / formalities in the said regard and furnishing an Indemnity Bond from the Investor, indemnifying SIDBI and other shareholders from any claims whatsoever.
- 7.8.6 If for any reason, SIDBI decides to terminate the whole assignment at any point of time, a lumpsum consolidated fee (Drop Dead Fee) to the maximum upto `3 lakh (Rupees Three Lakh only) shall be payable to the Merchant Banker.

**Bank will release payment of the agreed fees on its behalf and on behalf of other shareholders of ISARC to the selected bidder after deduction of applicable taxes at source.**



## 7.9 Bank's Rights

Bank reserves the right to the following :

- Reject any or all proposals received in response to the RfP without giving any reason whatsoever.
- Reject the proposals received in response to the RfP containing any deviation.
- Waive or Change any formalities, irregularities, or inconsistencies in proposal format delivery.
- Extend the time for submission of proposal.
- Modify the RfP document, by an amendment that would be notified on the Bank's website.
- To independently ascertain information from the Banks and other institutions / companies to which the bidder has already extended services for similar assignment.
- Modify the **time period stipulated in Clause 7.8 above** for the assignment during the execution of assignment if it deems fit.

## 7.10 Other Terms:

a) The proposals and related Annexures should be signed by the authorized representative(s) of the successful bidder. The executants' authority to represent and bind the Merchant Banking Company / Firm must be confirmed by a written authority letter (issued by the Competent Authority of the respective Company / Firm) accompanying the proposal.

b) The proposal should be submitted strictly as per the formats provided in this RfP document.

c) The personnel involved in executing the assignment should be qualified as per the requirements mentioned in the Qualification Criteria and preferably should have been involved in a similar assignment. However, the Bank reserves the right to accept / reject / seek substitution of the key personnel allocated for the project. The staff deployed / involved by the service provider shall never be deemed to be appointed by SIDBI nor shall they be under the service conditions of SIDBI.

d) The bidder selected for the assignment should adhere to the quality standards and all applicable regulatory directions/ guidelines in this regard.

e) The bidder selected for the assignment should treat as confidential all data and information about the Bank obtained in the execution of the proposed assignment, hold it in strict confidence and should not reveal such data / information to any other party without the prior written approval of the Bank.

f) The proposal should be free of overwriting/ corrections / alterations.

g) All bids and supporting documentation shall be submitted in English.

h) The Bank will not return the bids/responses to the RfP received. The information provided by the bidder(s) to the Bank will be held in confidence and will be used for the sole purpose of evaluation of bids.

i) The Commercial Bid shall be opened in due course, after completion of technical bid evaluation, in the presence of Bidders / their representatives, who choose to attend. The

date and venue for opening the commercial bid shall be separately informed to the bidders who come out successful in the technical evaluation process as per the **methodology mentioned in the clause 6.**

j) It is hereby clarified that the Bid / response to the RfP should be submitted in the exact format given herein without making any changes/alterations to the RfP document. Any change/alteration made to the RfP document by the participant would make the respective Bid / response to the RfP void and the same shall be liable to be rejected by the Bank without further going into the merits of the bid.

k) It is also clarified that in case of any difference/change between Bid/ response to the RfP document submitted by the participant and the RfP document maintained by Bank, the RfP document maintained at the Bank, would be considered as authentic and binding on the participant.

l) The bidders are expected to undertake an assignment only in areas of its expertise, and where it has capability to deliver efficient and effective advice / services to the bank. The successful bidder shall perform the services and carry out its obligations with all due diligence, render any opinion with professional integrity, efficiency and economy, as per generally accepted professional techniques, standards and practices, and shall observe sound management practices. The bidder shall always act, in respect of any matter relating to the assignment or to the services, as a faithful adviser to SIDBI, and shall at all times support and safeguard SIDBI's legitimate interests in any dealings with third parties. The bidder's liability under the agreement will be determined by the Applicable Laws and the provisions hereof. The bidder shall, subject to the limitation to be specified in the agreement, be liable to the Bank for any direct loss or damage accrued or likely to accrue due to deficiency in services rendered by it or improper discharge of contractual obligations or deviant conduct.

(m) It is clarified that the opinion given or certifications furnished by the successful bidder are going to be utilized / relied upon by SIDBI. Therefore, the bidders need to note that in the event its opinion/ certification turns out to be untrue and factually incorrect causing loss to the Bank and other shareholders of ISARC, it may seek such clarifications as may be required to investigate the matter and fix the responsibility. In the event it is established that there was gross negligence on the part of such bidder or bidder had colluded with any other person in causing pecuniary damage or / and any loss to SIDBI and other shareholders of ISARC, it may recommend such bidder's name for including in the caution list being maintained by the Indian Banks' Association (IBA) for circulation amongst member banks/ financial institutions. The IBA has been mandated by the Reserve Bank of India to do so. It has also been decided to approach the concerned professional bodies with complaints of professional misconduct, if any, on part of any professional engaged by the Bank. Accordingly, the Bank may also recommend bidders name to the concerned body, for suitable action thereon by them. The Bank also reserves its right to initiate such other proceedings as it may deem justified against the bidder. The bidder will have to extend necessary co-operation to the legitimately provided / constituted investigative body, conducting enquiry into processing or execution of the contract / any other matter related with discharge of contractual obligations by the bidder.

(n) During assignment if substitution is necessary (because of ill health or a staff member proves to be unsuitable, or member is no longer working with bidder), the bidder shall propose other staff of at least the same level of qualifications/experience for approval by the Bank including the terms and conditions of such replacement.

(o) The Bank may, by written notice of suspension to the successful bidder, suspend all payments to the bidder if the bidder shall be in breach of the agreement or shall fail to perform any of its obligations under the agreement, including carrying out of the services; provided that such notice of suspension (i) shall specify the nature of the breach or failure, and (ii) shall provide an opportunity to the bidder to remedy such breach or failure within a period not exceeding 15 (Fifteen) days after receipt by the bidder of such notice of suspension.

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**7.11 Compliance Confirmation**

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The bidder must submit unconditional and unambiguous compliance confirmation to all the terms and conditions stipulated in the RfP.

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**7.12 Assignment**

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The bidder shall not assign or outsource the works undertaken by them under this RfP assignment awarded by the Bank without the written consent of the Bank.

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**7.13 Indemnity**

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The successful bidder shall exercise reasonable skill, care and diligence in the performance of the assignment and indemnify and keep SIDBI, its officers, directors, employees indemnified in respect of any loss, damage or claim howsoever arising out of or related to breach of contract, statutory duty or negligence by the firm or its staff, agents or sub-contractors in relation to the performance or otherwise of the Services to be provided under the Contract.

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**7.14 Representations and Warranties**

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a) That the bidder is a Partnership firm/LLP/Company which has the requisite qualifications, skills, experience and expertise in providing Service(s) contemplated by this RfP, possesses the financial wherewithal, the power and the authority to enter into the Engagement and provide the Service(s) sought by Bank.

b) That the bidder is not involved in any litigation, potential and existing, that may have an impact of effecting or compromising the performance and delivery of Service(s) under the Engagement.

c) That the representations made by the bidder in its application are and shall continue to remain true and fulfill all the requirements as are necessary for executing the duties, obligations and responsibilities as laid down in the RfP Documents and unless Bank specifies to the contrary, the Applicant shall be bound by all the terms of the RfP.

d) That the Applicant has the professional skills, personnel and resources/ authorizations/ approvals/ infrastructure that are necessary for providing all such services as are necessary to perform its obligations under the RfP.

e) That the Applicant shall use such assets of Bank as Bank may permit for the sole purpose of execution of its obligations under the terms of the RfP. The Applicant shall however, have no claim to any right, title, lien or other interest in any such property, and any possession of property for any duration whatsoever shall not create any right in equity or otherwise, merely by fact of such use or possession during or after the term hereof.

f) That the Applicant shall procure all the necessary permissions and adequate approvals and licenses for use of various software and any copyrighted process/product free from all claims, titles, interests and liens thereon and shall keep Bank, its directors, officers, employees, representatives, consultants and agents indemnified in relation thereto and in respect of any infringement of any of the intellectual property rights.

g) That all the representations and warranties as have been made by the Applicant with respect to its RfP are true and correct, and shall continue to remain true and correct through the term of this contract.

h) That the execution of the Service(s) herein is and shall be in accordance and in compliance with all applicable laws.

i) That there are –

(1) No legal proceedings pending against bidder or any of its directors/partners or its team which adversely affect/may affect performance under this contract; and

(2) No inquiries or investigations have been commenced or pending against the bidder or any of its directors/ partners or its team members by any statutory or regulatory or investigative agencies.

j) That the Applicant has the corporate power to execute, deliver and perform the terms and provisions of this contract and has taken all necessary corporate action to authorize the execution, delivery and performance by it of this contract.

k) That all conditions precedent under this RfP/ written accepted offer/ agreement has been complied with.

l) That neither the execution and delivery by the bidder of this contract nor the bidder's compliance with or performance of the terms and provisions of this contract:

(1) will contravene any provision of any applicable law or any order, writ, injunction or decree of any court or governmental authority binding on the bidder.

(2) will conflict or be inconsistent with or result in any breach of any or the terms, covenants, conditions or provisions of, or constitute a default under any agreement, contract or instrument to which the bidder is a party or by which it or any of its property or assets is bound or to which it may be subject.

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## **7.15 Confidentiality Clause**

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a) The bidder shall hold in confidence all information, documentation etc. which come to their knowledge ('Confidential Information') and shall not disclose or divulge confidential information to any third party or use Confidential Information or any part thereof without prior written consent of the Bank.

b) Confidential Information means information which is by its nature confidential or is designated by the Bank as confidential and includes:

i) All information marked or otherwise designated as confidential;

ii) Information which relates to the financial position; the internal management structure, the Personnel, policies and strategies of the Bank,

iii) Data of the Bank, customer lists, customer information, account information, and business information regarding business planning and operations of Bank or other information or data whether such data is permanent or otherwise;

- iv) Any other information which the parties specifically declared as confidential.
- c) The restriction imposed in this clause does not apply to any disclosure of information:
  - i) Which at the material time was in the public domain other than by breach of this clause; or
  - ii) Which is required by law to be communicated to a person who is authorized by law to receive that information.
- d) The selected bidder shall execute separate non-disclosure agreement in Annexure G format immediately after the selection.

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**7.16 Termination of Contract**

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1. SIDBI may at its sole discretion and at any time terminate the contract and inform the bidder by written instructions. Normally, there will be notice period of 15 days for termination. In the event of the contract being so terminated, the bidder shall take such steps, as are necessary to bring the services to an end in a cost effective, timely and orderly manner.
2. Bank also reserves its right to terminate the contract in the event of one or more of the following situations:
  - a) Unnecessary or unwarranted delay in execution of the work allotted.
  - b) Delay in providing the requisite manpower.
  - c) Breach of trust is noticed during any stage of the assignment.
  - d) Services found to be unsatisfactory.
  - e) For any other valid reason.

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**7.17 Publicity**

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Any publicity by the bidder in which the name of the Bank is to be used should be done only with the explicitly written permission of the Bank.

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**7.18 Resolution of Disputes**

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1. It will be the Bank's endeavor to resolve amicably any disputes or differences that may arise between the Bank and the Bidder from misconstruing the meaning and operation of the Tender and the breach that may result.
2. 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 sole Arbitrator shall be chosen by mutual discussion between the Bank and the Bidder. The decision of the arbitrator shall be final.
3. The Bidder shall continue work under the Contract during the arbitration proceedings unless otherwise directed in writing by the Bank or unless the matter is such that the work cannot possibly be continued until the decision of the Arbitrator or the Adjudicator, as the case may be, is obtained.
4. Arbitration proceedings shall be held at Mumbai, India, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.

5. Notwithstanding anything contained above, in case of dispute, claim & legal action arising out of the contract, the parties shall be subject to the jurisdiction of courts at Mumbai, India only.

6. Any notice given by one party to the other pursuant to this Contract shall be sent to the other party in writing or by mail and confirmed in writing to the other party's specified address. The same has to be acknowledged by the receiver in writing.

7. A notice shall be effective when delivered or mailed or on the notice's effective date, whichever is later.

8. No conflict between Bidder and SIDBI will cause cessation of services. Only by mutual consent the services will be withdrawn.

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### **7.19 Governing Language**

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The contract shall be written in English. All correspondence and other documents pertaining to contract that are exchanged between the parties shall be written in English.

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### **7.20 Governing Law/Jurisdiction**

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The Agreement / Contract shall be governed by and construed in accordance with the laws in India and shall be subject to the exclusive jurisdiction of the Courts of Mumbai.

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### **7.21 Undertaking by Service Provider**

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The bidder / Service Provider shall furnish the following Undertaking as a part of the proposal.

"We certify that there has been no conviction by a Court of Law or contemplated by court for misconduct, guilty or indictment/adverse order by a regulatory authority for an offence against us or any of our sister concern or our Partners, CEO, Directors / Managers / Employees and if it arises we will intimate the Bank of the same".

The bidder / Service Provider shall further ensure the compliance of the guidelines issued by Central Vigilance Commission for the purpose of selection and employment of consultants.

As per Central Vigilance Commission (CVC) directives, it is required that Bidders /Service Provider observe the highest standard of ethics during the procurement and execution of contracts:

"Corrupt Practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of an official in the procurement process or in contract execution  
AND

"Fraudulent Practice" means a misrepresentation of facts in order to influence a procurement process or the execution of contract to the detriment of the Bank and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Bank of the benefits of free and open competition.

The Bank reserves the right to reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.

The Bank reserves the right to declare a bidder ineligible, either indefinitely or for a stated period of time, to be awarded a contract if at any time it determines that the firm has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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**7.22 No employer and employee relationship**

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Staff deployed by the bidder/service provider shall never be deemed to be appointed by the bank nor shall they be under its service conditions.

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**7.23 Data Privacy**

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SIDBI has the sole ownership of and the right to use, all data that may be in possession of the Successful bidder/Service provider or its representative in the course of performing the services under the agreement/contract that may be entered into. All documents, report, information, data etc. collected and prepared by bidder in connection with the scope of work submitted to SIDBI will be property of the Bank. The bidder shall not be entitled either directly or indirectly to make use of the documents, reports given by SIDBI for carrying out of any services with any third parties. Successful Bidder shall not without the prior written consent of SIDBI be entitled to publish studies or descriptive article with or without illustrations or data in respect of or in connection with the performance of services.

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**7.24 Force Majeure**

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The bidder shall not be liable for liquidated damages or termination for default, if and to the extent that its delay in performance or other failure to perform its obligations under the contract is the result of an event of Force Majeure. For purposes of this Clause, "Force Majeure" means an event beyond the control of the bidder and not involving the bidder's fault or negligence and not foreseeable. Such events may include, but are not limited to, Acts of God or of public enemy, acts of Government of India in their sovereign capacity, acts of war.

If a Force Majeure situation arises, the bidder shall promptly notify Bank in writing of such conditions, the cause thereof and the change that is necessitated due to the conditions. Unless otherwise directed by Bank in writing, the bidder shall continue to perform its obligations under the Contract as far as it is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. SIDBI may terminate the contract or suspend its performance. In such an event the consultant shall take such steps, as are necessary, to bring the service to an end, in a cost effective, timely and orderly manner.

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**8. Annexures and Appendix****8.1 Annexure A – Proposal Form and Technical Offer**

(To be included in Technical Proposal Envelope)

Date: \_\_\_\_\_

To,

The General Manager,  
Associate Institutions Cell (AIC),  
Small Industries Development Bank of India,  
SWAVALAMBAN BHAVAN, 2<sup>nd</sup> Floor,  
Plot No. C-11, G Block, Bandra Kurla Complex (BKC),  
Bandra (E), Mumbai- 400 051

Sir,

**RfP - Appointment of Merchant Banker for divestment of 86.40 % or more stake of India SME Asset Reconstruction Company Ltd.**

**RfP Reference Number ...../2019/...../BYO/Others dated February ....., 2019**

With reference to the above RfP, having examined and understood the instructions, terms and conditions forming part of the RfP, we hereby enclose our offer to provide our services as detailed in your above referred RfP and in conformity with the requirements mentioned in said RfP documents.

Subject to acceptance of our bid / proposal, we undertake to carry out the work as per the scope of work, deliverables as specified in the RfP document as well as on the payment terms mentioned therein.

We confirm that the information submitted by us in our Bid/Proposal is true and correct. We agree to abide by the Bid/ Proposal.

We declare that we have not made any alterations/changes whatsoever in the RfP document and we are fully aware that in the event of any change, the RfP document maintained at the Bank will be treated as authentic and binding and the Bid/Proposal submitted by us will be liable to be rejected by the Bank in the event of any alteration made in the RfP document.

We certify that there has been no conviction by a Court of Law or contemplated by court for misconduct, guilty or indictment/adverse order by a regulatory authority for an offence against us or any of our sister concern or our CEO, Directors / Partner / Managers / Employees and if it arises we will immediately intimate the Bank of the same.

We undertake that, in completion of and, if the award is made to us, in executing the above contract, we will strictly observe all the applicable laws in general and particularly laws against fraud and corruption in force in India including Prevention of Corruption Act, 1988.



We understand that SIDBI is not bound to accept our request for participation in the process or bound to accept our bid, or give any reason for rejection of any bid.

We also agree and confirm that we will not claim any expenses incurred by us in preparing of bid documents and that SIDBI will not defray any expenses incurred by us in proposal.

We are also aware that SIDBI has also right to re-issue / re-commence the bidding process, to which we do not have right to object and have no reservation in this regard; the decision of SIDBI in this regard shall be final, conclusive and binding upon us.

We understand that SIDBI is not bound to accept the lowest, or any other Proposal, SIDBI may receive.

We agree to all the terms and conditions mentioned in the RfP. We hereby submit our Technical Offer in a sealed envelope. The offer shall be binding on us up to 365 days and subject to the modifications resulting from contract negotiations.

Dated this ..... day of ..... 2019

\_\_\_\_\_  
Yours faithfully,

\_\_\_\_\_  
(Signature)

(In the capacity of)

Duly authorized to sign Proposal for and on behalf of \_\_\_\_\_

**8.2 Annexure B – TECHNICAL BID: Bidder’s Profile**

**RfP for appointment of Merchant Banker  
RfP Reference Number 400/2019/1432/BYO/Others dated February 14, 2019**

S.N	Particulars	Details
1	Name of the Merchant Banker firm / company with registration / membership number from SEBI	
2	Year of establishment of the Merchant Banking firm / Company and Registration thereof in India.	
3	Year of commencement of Merchant Banking assignments.	
4	Year wise turnover in last three years from consultancy services relating to disinvestment, strategic sale, investment banking, QIP, Private placement of buy or sell transactions, M&A, Valuation and Due diligence (in INR crore)	
5	Location of dedicated advisory team in India	
6	List of offices in India	
7	Contact details: (indicate contact person name, address, Telephone No., Mobile No., Fax No., e-mail address, etc.)	
8	Income Tax-PAN and GST Registration No. (please attach documentary evidence)	
9	Details of activities outsourced, if any.	
10	Nature of overall experience and notable achievements / recognitions, if any, in the related field (including banks/FI's)	
11	Particulars of infrastructural facilities in India & abroad	
12	Any other related information, not mentioned above, which the bidder wish to furnish.	

**Experience details**

S.No.	Name of the Partner/ Director/ Key Resources	Qualification	M&A advisory experience in divestment/ stake sale transactions (In years)	Experience in Stressed Asset transactions (In years)	Total Experience (In years)

**Details of past assignments giving consultancy services relating to disinvestment, strategic sale, investment banking, QIP, Private placement of buy or sell transactions, M&A, Valuation and Due diligence in Banking, Financial Services and Insurance (BFSI) from April 01, 2015 till the date of this RfP:**

S.N	Client Name	Brief details of the transaction	Size of the transaction ( crore)	Whether it comes in stressed asset space (Yes/No)	Handling	
					From	To
1.						

**Note : All the relevant details & documentary evidence are to be furnished. Information may be submitted in additional sheet, if required.**

\_\_\_\_\_  
(Signature)

(In the capacity of)

Duly authorized to sign Proposal for and on behalf of \_\_\_\_\_

Dated this ..... day of ..... 2019

**8.3 Annexure C – COMMERCIAL OFFER**

**(to be furnished in the Merchant Banker's letter head)**  
(to be submitted in sealed envelope)

Place .....  
Date .....

To:  
The General Manager,  
Associate Institutions Cell (AIC),  
Small Industries Development Bank of India,  
SWAVALAMBAN BHAVAN, 2<sup>nd</sup> Floor,  
Plot No. C-11, G Block, Bandra Kurla Complex (BKC),  
Bandra (E), Mumbai- 400 051

Sir,  
We the undersigned offer to provide our services for appointment as Merchant Banker for divestment of 86.40 % or more stake of SIDBI and other shareholders in India SME Asset Reconstruction Company Ltd. (ISARC) in accordance with your **RFP No. 400/2019/1432/BYO/Others dated February 14, 2019.**

Our Commercial Offer is \_\_\_\_\_% (in words) of realization value arising out of the sale transaction of equity stake in ISARC (all inclusive) The breakup is given below:

Particulars	Details to be filled in by the offeror
All work related to divestment of 86.40 % or more stake of SIDBI and other shareholders in India SME Asset Reconstruction Company Ltd. as per the Scope of work defined in the RfP.	_____ % of realization value arising out of the sale transaction of 86.40 % or more stake of SIDBI and other shareholders in India SME Asset Reconstruction Company Ltd.

Our Commercial Offer shall be binding upon us and the same is also subject to modification resulting from contract negotiations, up to expiration of the validity period (365 days) of the proposal.

Yours faithfully,  
(Name & designation, seal of the firm)

**8.4 Annexure D – Minimum Eligibility Criteria**

S.No.	Eligibility Criteria	Documents to be submitted
1	The Bidder should be a Category I Merchant Banker approved by SEBI and should be qualified to undertake the assignment.	Copy of valid Certificate of Registration of Category-I Merchant Banker issued by SEBI or any equivalent document.
2	The Bidder shall be a Merchant Banker with experience of 5 (five) years or more. The bidder should have necessary domain expertise of having handled atleast one deal (of `100 Crore or more) of similar nature in the stressed asset space in India from April 01, 2015 till the date of this RfP.	<p>Copy of certificate of incorporation / registration or other Constitutional Documents.</p> <p>In respect of assignments undertaken from April 01, 2015 till the date of this RfP, certificate from its Client and / or certificate from statutory auditors indicating fee income received from those business.</p> <p>Details of activities outsourced, if any.</p> <p>In case of difficulty in getting its client's certificate, firm / company statutory auditors certificate be submitted along with the details of the client, contact person &amp; other related details so that Bank can undertake independent verification of the bidders claim.</p> <p>In the event of non-submission of contact details for verification of the completed assignments or nil / non-satisfactory response received from the clients on verification by the Bank, no marks shall be awarded for such assignments.</p>
3	The Bidder must have minimum audited turnover of not less than `50 Crore (Rupees Fifty Crore) per annum in the last 3 (three) years.	Audited financial statements to support the eligibility.
4	The bidder should not have been prohibited / barred / black listed / disqualified by any regulatory authority / court or tribunal or any authority offering such services / statutory body / Central Government / State Government / SEBI / RBI or IRDA or any authority in India in the past or is pending.	Self-declaration / Certificate to this effect.
5	Bidding in Consortium is not permitted.	Self-declaration / Certificate to this effect.

<b>6</b>	The Bidder's Firm / company should not be owned or controlled by any Director or Employee of SIDBI and its subsidiaries/associate institutions.	A self-declaration by the Bidder on Bidder's letter head.
<b>7</b>	No pending litigation(s) and contingent liabilities, which could affect the performance of the Bidder under the mandate.	Details of pending litigation(s) and contingent liabilities, if any, that could affect the performance of the Bidder under the mandate, as also the details of any past conviction and criminal proceeding(s) against sponsors/ Directors/ partners of the Bidder.
<b>8</b>	There should not have been any disciplinary action / adverse order against the Bidder by any company / entities / regulator / statutory authority.	A Declaration on the Letter Head of the Bidder that the Bidder has not been debarred or blacklisted by anyone and no adverse order(s) has been passed against the Bidder by any company / entities / regulator / statutory authority.
<b>9</b>	Others	Area of possible conflict of interest, if any.

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**8.5 Annexure E – Declaration regarding Clean Track Record**

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Date:

**The General Manager,**  
Small Industries Development Bank of India,  
Associate Institutions Cell (AIC),  
SWAVALAMBAN BHAVAN, 2<sup>nd</sup> Floor,  
Plot No. C-11, G Block,  
Bandra Kurla Complex (BKC), Bandra (E),  
Mumbai - 400 051

Dear Sir,

**Declaration Regarding Clean Track Record**  
**RFP No. 400/2019/1432/BYO/Others dated February 14, 2019**

I/we have carefully gone through the Terms & Conditions contained in the RFP No. **400/2019/1432/BYO/Others dated February 14, 2019** regarding selection of the Merchant Banker by SIDBI. I/we hereby declare that our Company/Firm/LLP has not been debarred/black listed by any Public Sector Bank, PSU, RBI, IBA or any other Government / Semi Government organizations in India during last 5 years. I/we declare that there is no disciplinary action initiated by SEBI against Company/Directors/Partner(s)/Firm/LLP during last 3 years. I/we further certify that I am/we are competent officer(s) in my Company/Firm/LLP to make this declaration that my/our bid is binding on me/us and persons claiming through me/us and that you are not bound to accept a bid you receive.

Thanking you,

**Yours sincerely,**

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Date	Signature of Authorized Signatory ...
Place	Name of the Authorized Signatory ...
	Designation ...
	Name of the Organization ...
	Seal ...

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**8.6 Annexure F – Bank Mandate Form**

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<b>Appointment of Merchant Banker</b>	RFP No. 400/2019/1432/BYO/Others	<b>Page : 38 of 49</b>
	Issued on: February 14, 2019	

**(To be submitted in Duplicate)**

(Please fill in the information in CAPITAL LETTERS. Please TICK wherever it is applicable)

1. Name of Borrower / vendor / supplier / bidder: \_\_\_\_\_  
 Vendor Code (if applicable) \_\_\_\_\_

2. Address of the Borrower / vendor / supplier / bidder:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

City \_\_\_\_\_ Pin Code \_\_\_\_\_

E-mail id: \_\_\_\_\_

Phone No. with STD code: \_\_\_\_\_

Mobile No.: \_\_\_\_\_

Permanent Account Number \_\_\_\_\_

MSE Registration / CA Certificate \_\_\_\_\_ (if applicable)

**3. Particulars of Bank account:**

Beneficiary Name												
Bank Name						Branch Name						
Branch Place						Branch City						
PIN Code						Branch Code						
MICR No.												
Account type	Saving					Current			Cash Credit			
Account No.	(as appearing in the Cheque book)											
<b>(Code number appearing on the MICR<sup>1</sup> cheque supplied by the Bank. Please attach a cancelled cheque of your bank for ensuring accuracy of the bank name, branch name &amp; code and Account Number)</b>												
IFSC CODE <sup>2</sup>	For RTGS transfer					For NEFT transfer						

**4. Date from which the mandate should be effective :**

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected for reasons of incomplete or incorrect information, I shall not hold SIDBI / State Bank of India responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of amount through RTGS/NEFT.

Place : \_\_\_\_\_

Date : \_\_\_\_\_

Signature of Authorized Signatory

.....

Certified that particulars furnished above are correct as per our records.

Bank's stamp :

Date :

(Signature of the Authorized Official from the Banks)

**N.B.: RTGS/NEFT charges if any, is to be borne by the party**

**<sup>2</sup> Note on IFSC / MICR**

Indian Financial System Code (IFSC) is an alpha numeric code designed to uniquely identify the bank-branches in India. This is 11 digit code with first 4 characters representing the

bank's code, the next character reserved as control character (presently 0 appears in the fifth position) and remaining 6 characters to identify the branch. The MICR code, (Magnetic Ink Character Recognition) that appears on cheques, has 9 digits to identify the bank-branch. RBI had since advised all the banks to print IFSC on cheque leaves issued to their customers. A customer may also contact his bank-branch and get the IFS Code of that branch.



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**8.7 Annexure G – Non-Disclosure Agreement**


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*(Sample Format – To be executed on a non-judicial stamped paper of requisite value)*

WHEREAS, we, \_\_\_\_\_, having Registered Office at \_\_\_\_\_, (hereinafter referred to as the COMPANY), are agreeable to provide **Merchant Banking Services for divestment of 86.40% or more stake of India SME Asset Reconstruction Company Ltd (ISARC) on turnkey basis** as per scope defined in the Request for Proposal (RfP) **No. 400/2019/1432/BYO/Others dated February 14, 2019** for Small Industries Development Bank of India, having its Head office at SIDBI Tower, 15 Ashok Marg, Lucknow, 226001, and corporate office at, SWAVALAMBAN BHAVAN, Plot No. C-11, G Block, Bandra Kurla Complex (BKC), Bandra (E), Mumbai - 400 051 (hereinafter referred to as the BANK) and,

WHEREAS, the COMPANY understands that the information regarding the Bank’s activities shared by the BANK in their Request for Proposal is confidential and/or proprietary to the BANK, and

WHEREAS, the COMPANY understands that in the course of submission of the offer for the said RfP and/or in the aftermath thereof, it may be necessary that the COMPANY may perform certain jobs/duties on the Bank’s properties and/or have access to certain plans, documents, approvals, data or information of the BANK;

NOW THEREFORE, in consideration of the foregoing, the COMPANY agrees to all of the following conditions, in order to enable the BANK to appoint it as Merchant Banker and /or to grant the COMPANY specific access to the BANK’s property/information, etc.;

- i. The COMPANY will not publish or disclose to others, nor, use in any services that the COMPANY performs for others, any confidential or proprietary information belonging to the BANK, unless the COMPANY has first obtained the BANK’s written authorization to do so;
- ii. The COMPANY agrees that information and other data shared by the BANK or, prepared or produced by the COMPANY for the purpose of submitting the offer to the BANK in response to the said RfP, will not be disclosed to during or subsequent to submission of the offer to the BANK, to anyone outside the BANK;
- iii. The COMPANY shall not, without the BANK’s written consent, disclose the contents of this Request for Proposal (RfP) or any provision thereof, or any specification, plan, pattern, sample or information (to be) furnished by or on behalf of the BANK in connection therewith, to any person(s) other than those employed/engaged by the COMPANY for the purpose of submitting the offer to the BANK and/or for the performance of the Contract in the aftermath. Disclosure to any employed/ engaged person(s) shall be made in confidence and shall extend only so far as necessary for the purposes of such performance. The company shall take all necessary measures to ensure that the information/data obtained under the assignment is not passed on or disclosed.

Yours sincerely,

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Date	Signature of Authorised Signatory ...
Place	Name of the Authorised Signatory ...
	Designation ...
	Name of the Organisation ...
	Seal ...

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## 8.8 Annexure H – PRE CONTRACT INTEGRITY PACT

### General

This pre-bid-pre-contract Agreement (hereinafter called the Integrity Pact) is made at \_\_\_\_\_ place\_\_ on \_\_\_\_ day of the month of \_\_\_\_, 2019 between Small Industries Development Bank of India, having its Head Office at SIDBI Tower, 15, Ashok Marg, Lucknow – 226001 and inter alia, its Corporate Office at SWAVALAMBAN BHAVAN, C-11, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 (hereinafter called the “BUYER”, which expression shall mean and include, unless the context otherwise requires, its successors and assigns) of the First Part and

M/s \_\_\_\_\_ represented by Shri \_\_\_\_\_, Chief Executive Officer (hereinafter called the “BIDDER/Seller” which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BUYER proposes appointment of Merchant Banker for divestment of 86.40% or more stake of **India SME Asset Reconstruction Company Ltd (ISARC)** on turnkey basis and the BIDDER/Seller is willing to offer/has offered the services and WHEREAS the BIDDER is a private company / public company / Government undertaking / partnership / registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is a corporation set up under an Act of Parliament.

NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence /prejudiced dealing prior to, during and subsequent to the currency of the contract to be entered into with a view to :-

Enabling the BUYER to obtain the desired said services at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement and

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption in any form by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this integrity Pact and agree as follows:

### Commitments of the BUYER

- 1.1 The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.
- 1.2 The BUYER will during the pre-contract stage, treat all BIDDERS alike, and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.
- 1.3 All the officials of the BUYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and during such a period shall be debarred from further dealings related to the contract process.

In such a case, while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

**Commitments of BIDDERS**

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following : -
  - 3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any officials of the BUYER, connected directly or indirectly with bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
  - 3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe , gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavor to any person in relation to the contract or any other contract with the Government.
  - 3.3 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.
  - 3.4 BIDDERS shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.
  - 3.5 The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacturer/integrator/authorized government sponsored export entity of the defence stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or any way to recommend to the BUYER or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, or has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.
  - 3.6 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with contract and the details of services agreed upon for such payments.
  - 3.7 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
  - 3.8 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
  - 3.9 The BIDDER shall not use improperly, for purposes of competition or personal gain or pass on to others, any information provided by the BUYER as part of the business relationship, regarding plans, technical proposals and business details, including

information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

3.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

3.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative to any of the officers of the BUYER or alternatively, if any relative of the officer of the BUYER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of bid.

The term 'relative' for this purpose would be as defined in Section 2 (77) of the Companies Act, 2013.

3.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER.

#### **4. Previous Transgression**

4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER's exclusion from the tender process.

4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

#### **5. Earnest Money (Security Deposit)**

5.1 While submitting commercial bid, the BIDDER shall deposit an amount `50,000/- (Rupees Fifty thousand only) as Earnest Money/Security Deposit, with the BUYER through Bank Draft or a Pay Order in favour of SIDBI.

5.2 No interest shall be payable by the BUYER to the BIDDER on Earnest Money/Security Deposit for the period of its currency.

#### **6. Sanctions for Violations**

6.1 Any breach of the aforesaid provision by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one of the following actions, wherever required:-

(i) To immediately call off the pre contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with other BIDDER(s) would continue

(ii) The Earnest Money Deposit (in pre-contract stage) and /or Security Deposit/Performance Bond (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.

(iii) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER

(iv) To recover all sums already paid by the BUYER, and in case of Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of Small Industries Development Bank of India, while in case of a bidder from a country other than India with interest thereon at 2% higher than LIBOR. If any outstanding payment is due to the bidder from the buyer in connection with

any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.

- (v) To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER along with interest.
- (vi) To cancel all or any other Contracts with the BIDDER, the BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER
- (vii) To debar the BIDDER from participating in future bidding processes of the buyer or its associates or subsidiaries for minimum period of five years, which may be further extended at the discretion of the BUYER.
- (viii) To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.
- (ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with BIDDER, the same shall not be opened.
- (x) Forfeiture of Security Deposit /Performance Bond in case of decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

6.2 The BUYER will be entitled to take all or any of the actions mentioned at para 6.1(i) to (x) of this Pact also on the commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

6.3 The decision of the BUYER to the effect that a breach of the provision of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the independent Monitor(s) appointed for the purposes of this Pact.

## **7. Fall Clause**

7.1 The BIDDER undertakes that it has not supplied/is not supplying similar products /systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems was supplied by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will

be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER, if the contract has already been concluded.

**8. Independent Monitor (IM)**

8.1 The bank has appointed Independent Monitor (hereinafter referred to as Monitor) for this Pact in consultation with the Central Vigilance Commission. Details of Independent Monitor are:

Shri Ashok Sinha, (IAS Retd.),  
13 Yayati, Sector-58A, Nerul (West),  
Palm Beach Road, Navi-Mumbai 400706  
Ph: 9821844044, Mail id: asinha51@gmail.com.

8.2 The task of the Monitor shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.

8.3 The Monitor shall not be subject to instruction by the representatives of the parties and perform their functions neutrally and independently.

8.4 Both the parties accept that the Monitor has the right to access all the documents relating to the project/procurement, including minutes of meetings.

8.5 As soon as the Monitor notices or has reason to believe, a violation of the Pact, he will so inform the Authority designated by the BUYER.

8.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documents. The same is applicable to Subcontractor(s). The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.

8.7 The BUYER will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings

8.8 The Monitor will submit a written report to the designed Authority of the BUYER within 8 to 10 weeks from the date of reference or intimation to him by the BUYER/BIDDER and should the occasion arise, submit proposals for correcting problematic situations.

**9. Facilitation of Investigation**

In case of any allegation of violation of any provision of this Pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

**10. Law and Place of Jurisdiction**

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER (i.e. Mumbai).

**11. Other Legal Actions**

The action stipulated in this integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

**12. Validity**

12.1 The validity of this Integrity Pact shall be from the date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the BUYER and the BIDDER/Seller, including warranty period, whichever is later.

In case BIDDER is unsuccessful, this integrity Pact shall expire after six months from the date of the signing of the contract.

12.2 Should one or several provisions of the Pact turn out to be invalid, the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

12.3 A person signing the Pact shall not approach the Court while representing the matter to IM and he/she will await his decision in the matter.

13. The parties hereby sign this integrity Pact, at \_\_\_\_ on \_\_\_\_

BUYER

Name of the Officer

Designation

SIDBI

Witness

1. \_\_\_\_\_

2. \_\_\_\_\_

BIDDER

CHIEF EXECUTIVE OFFICER

Witness

1. \_\_\_\_\_

2. \_\_\_\_\_



**8.9 Appendix I – Profile of ISARC**

India SME Asset Reconstruction Company Ltd (ISARC) was incorporated on April 11, 2008 by SIDBI, in association with leading Public Sector Banks. It commenced business operations on April 15, 2009, with the principal objective to acquire non-performing assets (NPAs), inter-alia from MSMEs, and accelerate the restructuring of potentially viable units and liquidation of unviable units, so that productive use of the assets is maximized. As of March 31, 2018, ISARC had Assets Under Management (AUM) of INR 430.55 crore.

**Financial Highlights of ISARC**

( ` in Crore)

Particulars	As on Mar 31, 2018 (Audited)	As on Mar 31, 2017 (Audited)	As on Mar 31, 2016 (Audited)
Share Capital	100.00	100.00	100.00
Reserves and surplus	29.93	28.63	24.85
Less: Deferred Tax Assets	(0.06)	(0.06)	(0.05)
<b>Networth</b>	<b>129.87</b>	<b>128.57</b>	<b>124.80</b>
Debt	0.00	0.00	0.00
<b>Profit &amp; Loss Account</b>			
Total Income	12.15	10.97	15.05
Expenditure Excluding Provision	4.30	5.74	5.36
Provisions for Diminution in Value of Security Receipts	2.33	0	0
Provision for Security Receipts	2.01	0	0
<b>Total Expenditure</b>	<b>8.64</b>	<b>5.74</b>	<b>5.36</b>
<b>PBT</b>	<b>3.51</b>	<b>5.23</b>	<b>9.69</b>
<b>PAT</b>	<b>1.30</b>	<b>3.78</b>	<b>7.32</b>



**8.10 Appendix II – Shareholding pattern of ISARC**

Sr. No.	Name of the shareholder	No. of shares held	% of holding
1	Small Industries Development Bank of India	15,000,000	15.00
2	SIDBI Venture Capital Ltd.	11,000,000	11.00
3	Bank of Baroda	10,000,000	10.00
4	United Bank of India	10,000,000	10.00
5	Life Insurance Corporation of India	9,000,000	9.00
6	Punjab National Bank	9,000,000	9.00
7	Punjab & Sind Bank	5,000,000	5.00
8	UCO Bank	4,000,000	4.00
9	Bank of Maharashtra	4,000,000	4.00
10	Syndicate Bank	4,000,000	4.00
11	Corporation Bank	4,000,000	4.00
12	Dena Bank	4,000,000	4.00
13	Union Bank of India	4,000,000	4.00
14	Allahabad Bank	4,000,000	4.00
15	Oriental Bank of Commerce	1,900,000	1.90
16	Kerala Financial Corporation	350,000	0.35
17	Andhra Pradesh State Financial Corporation	350,000	0.35
18	Rajasthan Financial Corporation	100,000	0.10
19	APITCO Ltd	300,000	0.30
	<b>Total</b>	<b>100,000,000</b>	<b>100.00</b>