



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 हेतु प्रस्ताव के लिए अनुरोध

**Request for Proposal for appointment of Merchant Banker
for divestment of 86.40% or more stake of
India SME Asset Reconstruction Company Ltd.(ISARC) on turnkey basis**

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

Response to Pre-Bid Queries

Pre-bid meeting in connection with the RfP hosted as a part of tendering process for appointment of Merchant Banker for divestment of 86.40% or more stake of India SME Asset Reconstruction Company Ltd.(ISARC) on turnkey basis was held at SIDBI office in Mumbai on February 25, 2019 at 3.00 P.M. Based on the queries raised by prospective bidders through mail and during the meeting, following clarifications may please be noted for responding to the captioned RfP.

Response to the queries raised by the prospective bidders and clarifications thereof:

The queries as raised by prospective bidders through e-mail and in the said pre-bid meeting and SIDBI's clarifications to those queries are tabulated below:

Sl. No.	Page No.	Section / Clause No.	RfP Clause	Bidder's Query / Request	SIDBI's Clarification / Response
1	16	5 (2)(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.	Would request you to reconsider the clause as "The Bidder must have minimum audited group turnover of not less than Rs. 10 Crores per annum in the last 3 years. We find this turnover as too high as well as very restrictive.	It would not be possible to amend the minimum eligibility criteria at this stage.
2	17	5 (2) (5)	Bidding in Consortium is not permitted.	We want to confirm that here RfP is talking about consortium of two merchant banks	Consortium of two Merchant Bankers is not permitted. Outsourcing of

				and the point is not relating to outsourcing legal and other services from law firm.	legal and other services is permissible with prior approval of the Bank.
3	24	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.	We feel it is too less and it should be somewhere in the range of 10 - 15 lacs.	No amendment is proposed at this stage.
4	24	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	We understand that Fees is based on the percentage of the deal value and it will paid after successful completion of the transaction and that this fees will exclude out of pocket expense and other legal services which we will paid by the SIDBI over and above success fees.	The fee to be paid to the Merchant Banker is inclusive of all expenses (i.e. out of pocket expense, legal expenses etc.).

			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.		
5	27	7.14	Representations and Warranties	Do we need to submit the acceptance copy of the clause alongwith the bid.	This aspect is covered in Annexure A of the RfP.
6	Nil	Nil	Nil	Do we have to prepared Information Memorandum before approaching the investors or this could be done only on the basis of floating of RFP?	As per clause no. 4.2 (B)(b)(i) scope of work include providing information on ISARC to the Investors.
7	36	8.4 Annexure D - Minimum Eligibility Criteria	The bidder should be a Category I Merchant Banker approved by SEBI and should be qualified to undertake the assignment.	Please note that we do not have SEBI's Category I Merchant Banking license. However, we believe we have the strong skills, capabilities, experience and credentials to provide the required services sought under this RFP. We have strong experienced teams of Partners and other permanent practitioners to provide the relevant services. Our team professionals have	It would not be possible to amend the minimum eligibility criteria at this stage.

				demonstrated experience of providing such services in transactions of similar nature. Hence we request you to provide waiver with regards to this requirement.	
8	15	4.2 (B)(b) (ii) Project Scope / Terms of Reference (TOR)	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.	Please note that we are not qualified to give legal advice and accordingly will have no responsibility for addressing any legal matters or questions of law or providing any legal advice including the drafting of the legal documentation. We understand that this would be done by internal / external legal advisors of SIDBI. However, we will participate in drafting meetings with your internal / external legal advisers to the extent of providing additional commercial advice as may be required from time to time in connection with the drafting of the transaction documents. Request you to please confirm.	It is part of ToR, if need be outsourcing of legal and other services is permissible with prior approval of the Bank.
9	16	5 (2) (2) Minimum Eligibility Criteria	The Bidder shall be a Merchant Banker with experience of 5 (five) years or	Due to confidentiality reasons, we will not be able to provide the required	Documentary evidence is required to be furnished.

			<p>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>	<p>certificates / details. However, we will be submitting a self-Declaration with regards such assignments being carried out by the Applicant. We request you to consider the above.</p> <p>Should the experience of Merchant Banker necessarily be in stressed asset space or in any other area also.</p>	
10	24	7.8.1. Schedule for the proposed assignment & payment terms.	<p>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</p>	<p>We believe the envisaged transaction closure timeline is very tight and may not be practicable. Also, the transaction closure shall depend on a lot on internal / external factors. Hence, it may be difficult to commit to such timelines. However, we will closely work with you to achieve the closure as soon as possible, in line with transactions of similar nature. We request you to consider the above.</p>	<p>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> <p>The term may be extended at the discretion of SIDBI, without changing the terms of the assignment. Hence, no amendment is proposed at this stage.</p>

			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.		
11	Nil	Nil	Nil	Copies of annual reports of ISARC for last 3 financial years may be provided.	The audited financial highlights of ISARC has been furnished in Appendix I. Further, annual reports are available on MCA website.

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