

**Dated: February 20, 2019**

## **Invitation of Expression of Interest (EOI)** **for buying IFCI's Equity Stake in**

- 1. KITCO Ltd.**
- 2. Gujarat Industrial and Technical Consultancy Organization Ltd. (GITCO)**
- 3. ITCOT Consultancy & Services Ltd. (ITCOT)**

**Date of Issue: February 18, 2019**

**Last Date of Submission: March 15, 2019 up to 1500 hours**

- **IFCI** Limited (IFCI), the oldest Development Financial Institution of the country with Government of India's shareholding of 56.42% invites Expression of Interest (EOI) from the interested parties who are interested in buying its Equity Stake Holding in ;

<b>Sr. No.</b>	<b>Name of the Entity</b>	<b>IFCI's Stake</b>	<b>Stake Offered for Sale</b>
1.	KITCO	20.26%	20.26%
2.	GITCO	12.50%	12.50%
3.	ITCOT	12.50%	12.50%

- The EOI to be submitted in the format prescribed in Annexure – I. Separate submissions (may be in a common envelop and with a detailed common covering letter) are to be submitted for each of the four entities, using format as Annexure-I.
- Equity valuation of the entities by IFCI is underway. Book Value per share of respective Companies are furnished below:

<b>Sr. No.</b>	<b>Name of the Entity</b>	<b>Book Value per share (Rupees)</b>	<b>As on</b>
1.	KITCO	6039/-	30/09/2018
2.	GITCO	1826/-	31/03/2018
3.	ITCOT	6072/-	30/09/2018

**Invitation of Expression of Interest (EOI) for buying IFCI's Equity Stake in KITCO, GITCO, ITCOT.**

Bids received below the Book Value per share, of the respective entities, would be summarily rejected.

- The above Book values per share are indicative only and IFCI reserves the right to reject any / all bids, or terminate the process, if the bids are found to be lower than the expected price as arrived at internally.
- The selection of EOIs will be based on, however not limited to (e.g. in case of any regulatory & / or eligibility limitations etc.), the highest quoted price. The decision of IFCI will be final in all cases.
- Brief profiles of the entities are provided in Annexure – II. The interested parties are to make their own due diligence about the entities.
- The EOIs are to be submitted on or before March 15, 2019 at 1500 HRS IST, in a sealed envelope superscribed as **EOI for buying of IFCI's Equity Shareholding in KITCO / GITCO / ITCOT.** For anybody bidding for more than one Company, separate Annexure-I formats are to be submitted for each entity. All the submitted papers should be on Letter Head of the submitting entity along with signature of the Authorized Signatory, seal of submitting entity. Names, Addresses & contact details (including mobile number) of the Authorized Signatory and Contact Person(s) are to be clearly mentioned. The EOIs are to be addressed to "*The General Manager (S&A D), IFCI Limited, 13<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, **New Delhi - 110 019***". IFCI shall not be responsible for any postal delay etc.
- EOI should include
  - i. An **EMD of Rs.10000/- per entity (for which equity sale is offered)** in form of a separate Demand Draft in favor of IFCI Ltd. payable at New Delhi.
  - ii. Signed copies of following KYC documents of the EOI submitter
    - a) PAN Card.
    - b) Proof of Address.
    - c) Last three years (FY 2016-17-18) Income Tax Return.
    - d) Certificate of Incorporation (If Applicable).
  - iii. IFCI may ask for more documents, as required for the transaction, at any stage.
- Decision of IFCI in all respect will be final.

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**ANNEXURE - I**

**(On the letter head of the Bidder)  
(FORMAT FOR EXPRESSION OF INTEREST)**

**Name of the Entity (KITCO/GITCO/ITCOT):  
(only one entity per Annexure)**

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To,  
The General Manager (S & A D)  
IFCI Limited, IFCI Tower  
61, Nehru Place  
New Delhi - 110 019

**Ref:** EOI for buying of IFCI's Equity Shareholding in KITCO / GITCO / ITCOT.

**Sub: Expression of Interest.**

Sir,

We have perused the EOI No.\_\_\_\_\_ dated \_\_\_\_\_ for the subject assignment and other details and Express our Interest to buy IFCI's Entire Equity Shareholding in \_\_\_\_\_ @ Rs.\_\_\_\_\_ per share.

We Confirm, that the above offer may be accepted or rejected by IFCI at its discretion and mere submission of EOI does not imply any binding for acceptance by IFCI.

Signature of Authorised Person

[Office Seal]

Name:

For and on behalf of

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**Invitation of Expression of Interest (EOI) for buying IFCI's Equity Stake in KITCO, GITCO, ITCOT.**

**Annexure –II**

**KITCO Ltd**

KITCO Ltd, based at Kochi, was established in 1972 as the first Technical Consultancy Organisation (TCO) in India, jointly by Industrial Development Bank of India, Government of Kerala and public sector banks. It is a multi-disciplinary, multi-dimensional organisation offering consultancy services from concept to commissioning of the Industrial as well as Infrastructural Projects. It extends consultancy services in architectural, engineering, technical, management and financial sectors. It offers wide spectrum of services including Techno Economic Feasibility Studies, Detailed Project Reports, Project Consultancy, Master planning, Detailed Design and Engineering, Contract Management, Project Management Consultancy (PMC), Environmental Engineering Studies, Asset Valuation, Facility Management Services, Fund Facilitation, Project Appraisal, Corporate Debt Restructuring (CDR), Transaction Advisory, Recruitment, Training & Development etc.

ii. The present shareholding pattern of KITCO is as under (Top five shareholders):

Sr No.	Name of the Shareholder	Number of Shares	%age holding
1	SIDBI	49000	49.77%
<b>2</b>	<b><u>IFCI Ltd</u></b>	<b>19950</b>	<b>20.26%</b>
3	<del>ICICI Bank</del> <del>Canara Bank</del>	<del>5700</del> <del>2250</del>	<del>5.79%</del> <del>2.29%</del>
4	State Bank of India	4200	4.27%
5	Kerala State Industrial Development Corporation Ltd.	3950	4.01%

Total no. of shares 98450 of Rs.1000/- each.

iii. Financial Snapshot:

KITCO	Rs. in crores			
	2016	2017	2018	30/09/2018 (Prov.)
Revenue	50.26	50.36	60.03	16.16
PAT	8.5	8.38	9.35	(2.68)
EPS	863	851	950	-
Net Worth	47.96	54.56	62.14	59.45
Profitability	16.91%	16.64%	15.58%	-
Equity	9.85	9.85	9.85	9.85
IFCI's Stake	20.26%			

The Operations of KITCO have been profitable consistently in the past, with a profitability of 15.58% during last FY ending 31/03/2018 with an EPS of 950. The

**Invitation of Expression of Interest (EOI) for buying IFCI's Equity Stake in KITCO, GITCO, ITCOT.**

consistent profitability has thus resulted in strengthening of Net-Worth and hence Book Value per share, over the years.

**GITCO**

- i. GITCO, a Technical Consultancy Organization (TCO) based at Ahmedabad, set up in 1978, was promoted by all-India financial institutions viz. ICICI, IDBI and IFCI, State industries promotion corporations namely GIIC, GSFC & GMDC and six Nationalized Banks. GITCO operates through a diversified range of divisions which includes Infrastructure, Tourism, MSME Cluster Development, Asset Resolution, Process Engineering, Project Management Consultancy, Management and Financial Consultancy, Technical Services, and Environmental Engineering.
- ii. The shareholding pattern of GITCO is as under (Top five shareholders):

Sr No.	Name of the Shareholder	Number of Shares	%age holding
1	GMDC	3900	19.50%
2	GIIC	3300	16.50%
3	GIDC	2634	13.17%
4	SIDBI	2500	12.50%
5	<b>IFCI Ltd</b>	<b>2500</b>	<b>12.50%</b>

Total 20,000 shares of Rs.100 each.

- iii. Financial Snapshot:

<b>GITCO</b>	Rs. in crores		
	2016	2017	2018
Revenue	6.03	6.44	5.87
PAT	0.59	0.76	0.81
EPS	295	380	405
Net Worth	2.07	2.84	3.65
Profitability	9.78%	11.80%	13.80%
Equity	0.20	0.20	0.20
IFCI's Stake	12.50%		

Although smaller in absolute terms yet the operations of GITCO have been profitable in the recent past, with a profitability of 13.80 % during last FY ending 31/03/2018 with an EPS of 405. The consistent profitability has thus resulted in strengthening of Net-Worth and hence Book Value per share, over the years.

**Invitation of Expression of Interest (EOI) for buying IFCI's Equity Stake in KITCO, GITCO, ITCOT.**

**ITCOT**

- i. ITCOT, a Technical Consultancy Organization (TCO) based at Chennai, set up in 1979, was promoted by ICICI along with other financial institutions such as IDBI and IFCI, various commercial banks, and State development corporations. ITCOT operates through a diversified range of divisions which includes Infrastructure, Tourism, MSME Cluster Development, Asset Resolution, Process Engineering, Project Management Consultancy, Management and Financial Consultancy, Technical Services and Environmental Engineering. ITCOT is also engaged in providing entrepreneurship, skill development and several other capacity building programmes for various target groups. It has initiated several special projects for Skill Development of Rural BPL youths under SGSY program which is designed to equip the unemployed rural youth from the BPL households with marketable skills, which would enable them to secure placement in the industry. ITCOT also delivers short-term job-oriented skill development programmes in the states of Tamilnadu, Puducherry, Andhra Pradesh and Karnataka.
- ii. The present shareholding pattern of ITCOT is as follows (Top five shareholders):

Sl.No.	Name of the Share holders	No. of Share	% OF HOLDING
1	Netcon Technologies India (P) Ltd.	5400	27.00%
2	Small Industries Development Bank of India (SIDBI)	2500	12.50%
3	<b><u>IFCI Ltd.</u></b>	<b><u>2500</u></b>	<b><u>12.50%</u></b>
4	State Industries Promotion Corporation of Tamilnadu Ltd.	2000	10.00%
5	Tamilnadu Industrial Investment Corporation Ltd	2000	10.00%

(Total 20,000 shares of Rs.100 each.)

- iii. Financial Snapshot :

<b><u>ITCOT</u></b>	Rs. in crores			
	2016	2017	2018	30/09/2018 (Prov.)
Revenue	16.24	14.10	16.47	6.71
PAT	0.76	0.67	0.49	0.52
EPS	380	335	245	260
Net Worth	10.71	11.25	11.62	12.14
Profitability	4.68%	4.75%	2.98%	7.75%
Equity	0.20	0.20	0.20	0.20
IFCI's Stake	12.50%			

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**Invitation of Expression of Interest (EOI) for buying IFCI's Equity Stake in KITCO, GITCO, ITCOT.**

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ITCOT have also been profitable consistently in the past, with a profitability of 2.97 % during last FY ending 31/03/2018. The profit of ITCOT during FY 2018 has declined from previous years. Although smaller absolute figures, the consistent profitability has thus resulted in strengthening of Net-Worth and hence Book Value per share, over the years.