

Tender No. IFCI/S&AD/NSE/2018-19- 06

Dated: March 01, 2019

INVITATION OF BIDS / OFFERS

FROM

ELIGIBLE BUYERS

FOR

PURCHASE OF IFCI'S PART SHAREHOLDING

IN

NATIONAL STOCK EXCHANGE OF INDIA LTD ("NSE")

REQUEST FOR PROPOSAL



LIMITED

आई एफ सी आई लिमिटेड

(A Government of India Undertaking)

(भारत सरकार का उपक्रम)

**IFCI Tower, 61, Nehru Place
New Delhi 110 019**

Date of Issue: Tuesday, March 01, 2019

**Last Date of Submission: Friday, March 15, 2019 up to 15:00 hours
(IST)**

Disclaimer

- i. This Request for Proposal (“RFP”) is not an offer by IFCI Limited but an invitation to receive offers from interested and eligible parties. The purpose of this RFP is to provide the necessary information to such interested and eligible parties that may be useful to them in formulating their Proposals in response to this RFP.
- ii. No contractual obligation whatsoever shall arise from the RFP process.
- iii. IFCI Limited reserves the right to modify or even not to proceed with the transaction.

1. Background

- 1.1 IFCI Limited (“IFCI”) was the oldest Development Financial Institution of the country set-up in 1948 as a statutory corporation under Industrial Finance Corporation Act, 1948 (IFC Act) for providing medium and long-term finance to the Industrial sector and presently, a Government Company in terms of Section 2(45) of Companies Act, 2013 with Government of India’s shareholding of 56.42% of the total paid up share capital of IFCI. IFCI is also registered with Reserve Bank of India (RBI) as a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI). The primary business of IFCI is to provide short-term, medium-term and long-term financial assistance to the manufacturing, services and infrastructure sectors.
- 1.2 National Stock Exchange of India Limited (NSE), a public limited company, is the leading stock exchange of India. At present, IFCI holds 2.44% stake, i.e. 1,20,66,871 equity shares in NSE, out of which process for sale of up to 12,09,991 equity shares (0.24%) equity shareholding in NSE), is underway.

2. Objective

- 2.1 IFCI intends to sell its part equity shareholding in NSE i.e. up to 12,09,991 fully paid up unencumbered equity shares each of face value of Rs.1/- through a competitive bidding process to be submitted by the eligible buyers (Except Non Resident) hereinafter called “**Bidder**”, on highest price basis.
- 2.2 The equity shares will be sold to Bidder quoting the **highest price per share** subject to fulfillment of eligibility criteria and other terms, as specified further in this document hereinafter referred to as “Request for Proposal (RFP)”.
- 2.3 The **Minimum Reserved Price** has been fixed at **Rs. 810/- per share**.

2.4 The **Minimum lot size** has been fixed at **1,00,000 (One Lac) equity shares**.

3. Eligibility Criteria :

3.1 The Bidders must satisfy the following eligibility criteria before submitting their proposals:

- i. The bid may be submitted by any company incorporated / registered in India (Except Non Resident) including Insurance Companies, Statutory Corporation, Mutual Funds, Scheduled Commercial Banks, Public Sector Undertaking, State/ Central Government Department / Institution and, any Body Corporate or Trust, LLPs, Resident High Net worth Individuals (HNIs) etc. eligible for purchasing the shares of an Indian company, specifically of NSE.
- ii. **Merchant Bankers may also bid on behalf of a confirmed buyer, in such case the Net Quote i.e. excluding the fee / commission of the Merchant Banker, has to be equal to or higher than the Floor Price i.e. Rs.810/- share.** In such case a declaration will be submitted, by the Merchant Banker, along with the Bid, that it has a conformed buyer at the other end along with the details of the confirmed buyer.
- iii. The Bidders cannot submit bids in consortium with other parties. Bid submitted on consortium basis will be summarily rejected.
- iv. IFCI shall have the right to reject the bid with less than minimum lot size i.e. 1,00,000 equity shares.
- v. The bidder shall itself be responsible for its eligibility to hold shares of NSE.
- vi. In case of non-acceptance of the selected bidder, at any stage and due to any reason, by NSE and / or any other Authority including but not limited to RBI, the bid will be rejected and the offer may be made to the next higher bidder at discretion of IFCI.
- vii. An **Earnest Money Deposit ("EMD") of Rs.5 lakh** (Rupees Five lakh only) is to be submitted with the bid in form of a **Demand Draft**. The bids without EMD will summarily be rejected.
- viii. Following, self-attested (and / or duly stamped and signed by Authorized Signatory in case of Non Individual) KYC documents should accompany the proposal:

KYC For Individuals	KYC For Non Individuals
<ol style="list-style-type: none"> 1. Copy of PAN Card 2. Copy of Adhaar Card. 3. Copy of Address Proof (Presently Valid Document, latest electricity bill) 4. Four Passport Size Photographs (Self Attested) 5. Last three years' Income Tax Return (Self Attested) 6. Self-Declaration of no criminal record 7. Any other details/ information considered relevant. 8. A self-declaration from the bidder that the source of funds for the purchase of NSE shares is through legitimate means and not acquired through any illegal activity/business. 	<ol style="list-style-type: none"> 1. Certificate of Incorporation 2. Copy of PAN Card 3. Copy of Memorandum & Articles of Association 4. Last three years' Income Tax Return 5. Last three years' Annual Report 6. GST Registration Certificate 7. Declaration on letter head of no criminal record 8. KYC documents of all the Directors as detailed for Individuals 9. Any other details/ information considered relevant. 10. A self-declaration from the bidder that the source of funds for the purchase of NSE shares is through legitimate means and not acquired through any illegal activity/business.

- ix. IFCI shall have the right to reject the bid in case of non-submission of any KYC document.
- x. A declaration is to be submitted in case of Non – Applicability of any of the above stated KYC documents.
- xi. IFCI may ask for more documents later and the bidder shall be liable to submit the same to maintain its candidature.
- xii. **In case of non-Individuals, preference will be given to the entities which are not trading members and / or not associates of a trading member of NSE.**

4. Submission of Proposals:

- i. The proposals should be submitted in physical mode only.
- ii. The Proposal is to be submitted in two parts each contained in separate sealed envelopes and both put in a single main envelop viz.

(A) **Envelope –I**, super scribed as Bid For Purchase of NSE Shares from IFCI, should contain following documents.

a) **Proposal for Purchase of NSE Equity** Shares from IFCI as prescribed in **Annexure-I**.

b) Documents related to Eligibility Criteria.

c) KYC documents of the Bidder.

d) Demand Draft of EMD of Rs.5 lakh.

e) Contact details including Phone Number, Email ID etc. of the authorized person should be clearly mentioned.

Note: Eligibility criteria and related documents to be submitted as detailed in para 3. vii above.

(B) **Envelope – II Financial Proposal as per Annexure-II.**

iii. The whole proposal shall be contained in one common envelope. The envelope shall clearly mention;

a) Date,

b) Bidder's Name,

c) Address,

d) And superscribed "**Bid for Purchase of IFCI's equity shares in NSE**".

Note: The envelope is to be dropped in a Box kept on Ground Floor, IFCI Tower, 61, Nehru Place, New Delhi -110 019 captioned "**Bid for Purchase of IFCI's equity shares in NSE**" positively **by 1500 hrs (IST) on Friday March 15, 2019.**

iv. The EMD is to be deposited in form of a Demand Draft in favour of "**IFCI Limited**", payable at New Delhi. The EMD will be adjusted with the sale consideration, to be paid by the buyer. However the EMD of the unsuccessful buyers will be refunded. No interest whatsoever shall be payable at the time of refund of the EMD to the unsuccessful buyers.

v. The Bidder can submit bid for only up to 12,09,991 equity shares of NSE while adhering to ensure a minimum lot size of 1,00,000 (One Lakh) equity shares of NSE.

vi. The **Bids shall be valid till 31st May 2019**. However IFCI reserves the right to terminate the process at any time at its sole discretion.

5. Pre-bid Queries

The prospective Bidder(s), requiring any clarification on the RFP may notify the same in the form of query to IFCI latest **by 1700 hrs (IST) on March 11, 2019**. Queries can be sent to hod.sa@ifcilttd.com &/or Phone No. 011- 4173 2002/2137/2164. IFCI would endeavor to respond to the queries at the earliest.

6. Authorized Signatory

The proposals should be complete with all documents duly signed by authorized signatory. All information/ details are required to be supported by documents duly certified by the authorized signatory. Proof of the Authorized Signatory having the authority to sign the documents (Copy of Board Resolution/ Power of Attorney) must be enclosed.

7. Opening of Bids

7.1 The date of opening of the bids shall be intimated to the bidders. The contact details i.e. email IDs and Phone Numbers should be clearly mentioned on the outer envelope for sending intimations. The Bidders may authorize their representatives for attending the bid opening session. The financial bid will be opened for Bidders fulfilling the eligibility criteria.

7.2 (i) First the bids would be opened for bidders who are not trading member/ associates of trading members in NSE which would be ranked higher than bids submitted by other bidders and thus their bids would be opened first. All such eligible Bids shall be arranged in descending order of Bid Price quoted, the one quoting the highest Bid Price would be referred to as H-1. The second Highest Bidder would be referred to as H-2, and so on. **In case of a tie in the Bid Price quoted by 2 (two) or more Bidders, the preference will be given to the higher lot size. In case of further tie in both price as well as lot size, the allotment will be made proportionately.**

(ii) After opening all bids of the above category, the quantity remaining unallocated would be computed. If the unallocated quantity is less than 3 lac, no further bids would be opened.

(iii) However, if unallocated quantity is more than 3 lac, other bids would be opened for allocation of remaining shares **(after earmarking earlier shares)** by following the similar procedure as specified in paragraph 7.2 (i).

7.3 It may be noted that final allotment is not a guarantee to sell IFCI shares by IFCI to the bidder. However the final sale transaction will be subject to fulfillment to all the requirement / submissions necessary for the sale, including but not limited to all the required submissions to and / or approvals from NSE, any other legal / statutory requirement etc. However, IFCI will have the right to terminate the process at any time.

- 7.4 The bidder(s) will have no right to refuse or alter the lot size after the final allotment. However, IFCI will have the right to cancel the allotment and forfeit the EMD, in case the bidder refuses to buy the finally allotted lot or intends to alter the lot size than allotted. However the decision of IFCI will be final.
- 7.5 In case of cancelation, as 7.4 above, IFCI may consider next higher bidder(s), with preference from higher to lower, for sale of remaining shares, as per availability.

8. Disqualification:

- i. IFCI shall not consider for the purpose of qualification any bid that is found to be incomplete in content and/or attachments and/or legal capacity/authenticity.
- ii. Without prejudice to any other rights or remedies available to IFCI, the Bidder may be disqualified and its bid may be dropped from further consideration for any reason whatsoever including but not limited to those listed below:
 - (a) Misrepresentation by the Bidder / Investor;
 - (b) Failure on the part of the Bidder to provide necessary and sufficient information / documents required to be provided in the NSE Stake Sale Process;
 - (c) Failure to comply with the terms and conditions mentioned in the Tender Document;
 - (d) If the bid is not as per the format prescribed in the Tender Document;
 - (e) If the bid is not accompanied with the required documents and bid deposit (EMD).
 - (f) If the bid and other documents are not signed by the authorized signatory of the Bidder.

If any information comes to the knowledge of IFCI which would have entitled IFCI based on the prescribed Tender Document/ submission requirement specified above, to reject or disqualify the Bidder, IFCI reserves the right to reject the Bid of the Bidder at the instant time, or at any time thereafter as and when such information comes to the

knowledge of IFCI and the bid deposit shall be forfeited or Bank Guarantee may be invoked, as the case maybe, in such cases.

9. Confidentiality

The Bidder shall agree that all confidential information relating to the transaction or the engagement and disclosed for the purpose of this engagement shall be kept confidential, from the date hereof until the end of a period of 1 (one) year from the date of completion of the transaction or termination of any Agreement if executed in furtherance of the said transaction, whichever is earlier.

10. Fraud and Corrupt Practices

10.1 The Bidder and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Evaluation and Selection Process. Notwithstanding anything to the contrary contained in the RFP, IFCI shall reject a proposal without being liable in any manner whatsoever to the Bidder, if it determines that the Bidder has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice (collectively the "**Prohibited Practices**") in the Evaluation and Selection Process.

10.2 In such an event, IFCI shall, without prejudice to its any other rights or remedies, forfeit and appropriate the Bid Security or EMD or Performance Security, as the case may be.

10.3 Without prejudice to the rights of IFCI under **Clause 10.1** hereinabove and the rights and remedies which IFCI may have under any law for the time being in force, if a Bidder, is found by IFCI to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Selection Process, or after the issue/acceptance of the EL, such Bidder shall not be eligible to participate in any assignment or RFP issued by IFCI during a period of 2 (two) years from the date such Bidder is found by IFCI to have directly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as the case may be.

10.4 For the purposes of this Section, the following terms shall have the meaning hereinafter respectively assigned to them:

- (a) “Corrupt practice”** means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of any person connected with the Selection Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of IFCI who is or has been associated in any manner, directly or indirectly with the Selection Process or the Offer Letter (OL) or has dealt with matters concerning the OL or arising there from, before or after acceptance thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of IFCI, shall be deemed to constitute influencing the actions of a person connected with the Selection Process);
- (b) “Fraudulent practice”** means a misrepresentation or omission of facts or disclosure of incomplete facts, in order to influence the Selection Process;
- (c) “Coercive practice”** means impairing or harming or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Selection Process;
- (d) “Undesirable practice”** means (i) establishing contact with any person connected with or employed or engaged by IFCI/NSE with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Selection Process; and
- (e) “Restrictive practice”** means forming a cartel or arriving at any understanding or arrangement among Bidders or any other party with the objective of restricting or manipulating a full and fair competition in the Selection Process.

11. Other terms and conditions

- (i) The proposal should be submitted in English language.
- (ii) The Bidder(s) are required to do their independent enquiries about the operations and other information about NSE. IFCI shall not be responsible for any issue(s) raised by the Bidder in future.
- (iii) IFCI reserves the right to reject any or all Proposals without assigning any reason thereof as well as the right to add/ delete/ modify any one or more of the terms and conditions. IFCI also reserves the right not to offer the shares to any of the Bidder(s) and may terminate the sale process, without thereby incurring any liability.

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- (iv) IFCI shall not in any way be held responsible for any procedural delay and shall not be assigned any financial loss caused during the process.
- (v) IFCI reserves the right to discontinue the sale of NSE equity shares in favor of highest Bidder for any reason at any point of time, without assigning any reason, in the event the process is called off. Further, IFCI reserves the right to discontinue the sale of NSE equity shares in favor of highest Bidder at any point of time on account of force-majeure or unsatisfactory response / act by the Bidder.
- (vi) IFCI reserves the right to withdraw the RFP at any time before signing of a definite Contract (if any), without assigning any reason and shall not be held liable for any losses or damages caused by such withdrawal. The withdrawal of RFP would be by giving intimation through IFCI's website.
- (vii) The decision of IFCI in regard to acceptance or non-acceptance of the proposal will be final and binding on the Bidders.
- (viii) The Bidder is required to comply with the all the guidelines issued by Central Vigilance Commission (CVC), Government of India relating to purchase of shares (if any).
- (ix) The corrigendum/addendum/intimation of extension of last date, if any will be uploaded on IFCI's website www.ifcilttd.com

12. Dispute Settlement

12.1 Disputes, if any, arising between the successful bidder and IFCI shall be mutually settled without any obligation on any party. However, in the event of non-settlement of disputes through amicable means, such disputes shall be referred to an Arbitrator as per Arbitration and Conciliation Act, 1996. The arbitration shall be conducted by a sole arbitrator who shall be mutually appointed by both the parties. The venue of the Arbitration shall be New Delhi only and the language shall be Hindi/English and Jurisdiction under the Act of 1996 (as amended from time to time) shall vest with the Courts of New Delhi.

12.2 All matters relating to the sale process of equity shares of NSE by IFCI and the bidding procedure thereof shall be governed by the laws of Union of India. Bidders are requested to adhere to laws/ guidelines applicable to this Transaction which includes the following but not limited to:

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- a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 1997 and amendments thereof, if any and as applicable.
 - b) Companies Act, 2013 and amendments thereof, if any and as applicable.
 - c) Unlisted Public Companies (Preferential Allotment) Rules, 2003 and amendments thereof, if any and as applicable.
 - d) Securities Contracts (Regulation) Act, 1956 (42 of 1956) and amendments thereof, if any and as applicable.
 - e) Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2000 and amendments thereof, if any and as applicable.
 - f) Reserve Bank of India A.P. (DIR Series) Circular No. 25 dated December 22, 2006 and amendments thereof, if any and as applicable.
 - g) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereof and as applicable, if any.
 - h) All other such Acts, Rules, Regulations, General Orders, Guidelines, Circulars and amendments thereof issued by SEBI, Ministry of Corporate Affairs, Ministry of Finance, Government of India, RBI or any such other regulatory/statutory bodies in India or its agencies thereof as well as in the concerned country having jurisdiction over the registered office of the Bidder.
 - i) Bidders are required to carry out their own due diligence at their cost and comply with any applicable legal requirements as required of them in this regard both in India as well as the concerned country having jurisdiction over their registered office.

ANNEXURE - I

**LETTER OF PROPOSAL SUBMISSION
(On the Letter Head of the Bidder)**

Date:

The General Manager (Subsidiaries & Associates)
IFCI Limited, IFCI Tower
61, Nehru Place
New Delhi - 110 019

Ref: Request for Proposal (RFP) dated March 01, 2019.

Sub: Invitation of bids / offers from Eligible Buyers for disinvestment of IFCI's shareholding in National Stock Exchange of India Ltd. (NSE).

Sir,

I (Full Name of Buyer) OR being duly authorized to represent and act on behalf of..... (Name of the Concern), and having reviewed and fully understood all of the requirements of the Request for Proposal (RFP) provided, I / we hereby make an application for the purchase/buying of equity shares of NSE from IFCI, as contained in the RFP No..... dated

I / We certify that I/we..... (name of the Bidder) satisfy the eligibility criteria provided in para '3' of the RFP and I/we have provided other necessary documents as mentioned in the RFP dated..... including those in support of the eligibility criteria.

I / We also acknowledge that in case of misrepresentation of the information furnished to IFCI, our proposal shall be rejected / terminated summarily, which shall be binding on us.

Please tick (√) the applicable box. (Only one box should be ticked)

- I/We am/ are trading member or Associates of trading member of NSE.
- I/ We am/are not trading member or Associates of trading member of NSE.

I/We also enclose the Financial Proposal as per **Annexure II** of the RFP.

Yours sincerely,

Signature

Name (Authorised Signatory)

For and on behalf of (Name of the concern, if applicable)

ANNEXURE - II

FINANCIAL PROPOSAL

(To be submitted on the Letter Head of the Bidder (except Individuals))

Date:

The General Manager (Subsidiaries & Associates)
IFCI Limited, IFCI Tower
61, Nehru Place
New Delhi - 110 019

Ref: Request for Proposal (RFP) dated March 01, 2019.

Sub: Invitation of bids / offers from Eligible Buyers for disinvestment of IFCI's shareholding in National Stock Exchange of India Ltd. (NSE).

Sir,

I/We have perused the Request for Proposal (RFP), No..... dated, for the subject and other details and am / are willing to buy equity shares of NSE from IFCI as per terms and conditions stipulated in the RFP document. Following offer is valid till May 31, 2019. EMD / Bank guarantee for Rs.5.00 Lakh is enclosed separately.

Our unconditional offer, including the bid price is as under:

- I. Bid for total Number of Equity Shares – [A]
(Minimum lot 1,00,000 equity shares)
- II. Price per share Rs. _____/- [B] (not below Rs.810/- per share)
[Net of Commission in case of Bids through Merchant Bankers]
- III. Total Payable amount [A] x [B] = Rs./- (In Words
.....)

I / We undertake to pay the amount, as III above, in case our bid is selected.

Signature of Bidder / Authorized Person

Name:

For and on behalf of