

बैंक ऑफ महाराष्ट्र

प्रधान कार्यालय

लोकमंगल, 1501, शिवाजीनगर, पुणे-5



BANK OF MAHARASHTRA

Head Office

LOKMANGAL, 1501, SHIVAJINAGAR, PUNE-5

वसूली और विधि सेवाए विभाग

फोन/TELE : 020-25536256

ई-मेल / e-mail: bomcolaw@mahabank.co.in

Recovery & Legal Services Dept

फैक्स/ FAX : 020- 25513123

**Public Notice for Empanelment of Financial Advisors (FAs) for sale of NPAs
(Terms and conditions)**

Bank of Maharashtra, is desirous of empanelling Financial Advisors (FAs) for providing services in Sale of Non Performing Assets (NPAs) to Asset Reconstruction Companies, as per RBI guidelines.

The selection of the FAs will be based upon Expression of Interest (EOI) submitted by the parties along with the bids. The EOI along with technical and commercial bids in separate sealed envelope should reach the undersigned i.e. to The Deputy General Manager, Recovery Department, Bank of Maharashtra, 1501, 'Lokmangal', Shivajinagar, Pune 411005 **on or before 12:00 noon on 31.12.2014.**

Bank will not be responsible for postal / transit delay. It will be bidders responsibility for submission of EOI within time.

Eligibility:

1. The firm / Company / LLP should have minimum one year experience in this field, and should have handled at least 2 assignments, of which one should be of Public Sector Bank (PSB) during the period 01.10.2013 to 30.09.2014.
2. The FA/s should have successfully completed / assisted in conducting sale of NPA portfolio involving an amount of not less than Rs. 100.00 crore (Certified by Auditor) during 01.10.2013 to 30.09.2014.
3. The FA should have earned minimum fee / commission of Rs.25 lakhs (Certified by Auditor) on successful sale during 01.10.2013 to 30.09.2014.
4. No adverse action initiated by / pending with any institution / banks / court / authority against the FA/s, its partners/ and or directors (Past and present).

Scope of work:

1. Assisting the bank in identification of NPA to be included in the portfolio.
2. Preparation of data files and Preliminary Information Memorandum:
 - This would involve coordinating with the bank in setting up of the Data Room and the Data Room files which will include copy of loan documents, relevant correspondence with banks and other lenders, financial check list, legal check list etc. The consultant firm will work closely with the bank in complying the financial check list and identification of required information from the case files. Legal check list shall be reviewed by the Financial Advisors.

- Marketing of the portfolio.
3. Managing the sale process:
 - This would involve assisting the bank in managing the Data Room process, identification of communication channel with prospective bidders, design the process including the various time lines etc.
 - Assisting the bank in valuation of the portfolio, to assist the bank in arriving at the reserve price, valuation of underlying securities shall be provided by the bank by its approved valuer.
 - Negotiation with the successful bidder, if required.
 - The FA has to ensure that the entire sale process is conducted as per the 'Auction sale process' as prescribed/ stipulated by the Indian Bank's association.
 - Ascertaining the documents to be handed over, collection of the said documents and handing over all the said documents to the assignee shall be the job of FA
 4. Assisting bank in transaction closure:
 - This would include assisting bank in drafting the assignment and discussion on the same with the potential bidders.
 5. Query resolution with ARCs

Process of Selection:

1. Interested firm should submit their expression of interest along with the technical and commercial bids on or before 31.12.2014 by 12.00 noon. The weightage for technical and financial bids would be in the ratio of 40:60 respectively.
2. The Technical bid shall comprise of statement in respect of eligibility fulfillment along with supporting documents.
3. Technical bids shall be opened on 31.12.2014 by 1.00 p.m. in the presence of bidders and will be short listed based on eligibility criteria for empanelment.
4. Financial bids for short listed parties will be opened in the presence of bidders short listed as above.
5. The financial bid consist of quotes in the form of fixed fee and variable fee as under:
 - Fixed fee – Minimum amount payable to FA in respect of the assignment given to the FA irrespective of the sale of asset.
 - Variable fee – Amount payable as percentage of the total sale consideration (cash + SR) for which the Non Performing Assets of the bank are sold.
6. The competent authority of the bank based on the technical and commercial bids will approve the empanelment of Financial Advisor which shall be valid for 1 year from the date of approval.

Conditions of empanelment:

1. Empanelment will be for a period of one year from the date of approval by the bank.

2. The bank reserves the right to engage a firm from time to time for all or in one or more of the aforesaid purposes at a negotiated fee.
3. The bank has sole right to accept or reject bid from any of the consulting firms at his discretion without assigning any reasons whatsoever for sale of each of NPA portfolio. A separate engagement contract shall be executed with terms and conditions detailing scope of work of Financial Advisors, indemnity if and Non-Assignment and termination of jurisdictional clauses. The bank reserves the right to allot the sale portfolio at their discretion to any of the empanelled Financial Advisor or otherwise sell by themselves. The Financial Advisor cannot question the same.
4. The fees shall be payable as under:
 - Out of Total fixed fee quoted, 30% of the fees is payable at the time of entrustment of the assignment. Remaining 70% of the fixed fee is payable on the conclusion of the process, i.e. on execution of assignment deed and receipt of sale consideration.
 - Out of Total variable fee payable,
 - 50% of the amount will be payable immediately on receipt of sale consideration.
 - 40% of the fee will be paid on execution of assignment agreement & conclusion of sale process.
 - Remaining 10% of the fees shall be paid on completion of all the formalities such as exchange of communication and handing over all security documents by the FA to the purchaser of the Assets.
5. The empanelment consulting firm shall execute Non-disclosure Agreement with the bank.

Expected Scope of Services of Financial Advisor:

Phase I – Sale Preparation (Due Diligence)

- The FA/s in consultation with the bank will identify the NPA portfolio for proposed sale.
- The FA/s shall prepare requisite information (PIM) and manage Data room preparation for sale of the identified accounts.
- This would involve putting together:
 - Financial Checklist
 - Relevant documentation and case files.
- FA/s team shall work closely with the Bank team in completion of financial checklists and in identifying information required from the case files. Bank's legal team / legal advisor will prepare the legal checklist. FA shall review the legal checklists and information provided by the Bank and inform the Bank of any other requirements regarding the legal aspects.

- The FA/s shall provide guidance to Bank on the estimated realization value of the portfolio. This may serve as one of the basis for the Bank for setting the reserve price.
- The valuation of the underlying securities / collateral shall be arranged by the Bank through its approved valuers / outside agencies.
- The FA/s shall design the due diligence process and data room management.
- The FA/s to initiate formal contract, solicit and follow up with Qualified interested investors / ARCs and work closely with the Bank in liaising with the investors / ARCs.

Phase II – Execution:

The empanelled FA/s will have to manage the overall sale execution of NPAs i.e. from identification of the portfolio, setting up of data room stage will the completion of Sale transaction. In details, they will:

- Develop a complete and thorough process(s) timeline(s) that outlines all contemplated steps, identifying key milestone dates and work with the bank team to complete the process within stipulated time.
- Recommend a set of criteria on the acceptability of bids received from ARCs / Investors. However, the decision to accept or reject such a bid will be that of the Bank.
- Design a process and means of communication with ARCs / Investors, including initial contact provision of general information, accumulating and organizing all ARCs / Investors correspondence and respond to questions and relaying them to the appropriate bank personnel for satisfactory resolution.
- Assist in negotiations and discussions with bidders on behalf of the Bank, if and to the extent required, by the bank with their express consent. However, the Bank shall decide whether to accept or reject any offer / s received.
- The FA/s to work together with Bank's counsels to ensure the timely delivery, negotiation and drafting of all necessary documentation relating to the transaction.
- Bank will also extend required assistance to FA/s for successful completion of sale transaction at all stages including for the followings roles:
 1. Conduct legal due diligence- involving checking of loan agreements, security documents and where necessary, advising the Bank to obtain updates or missing information to the extent possible.
 2. Assessing recovery strategies and determining likely timings and outcomes of legal action (e.g. Foreclosure processes) to derive Net Present Value (NPV).

3. The FA/s shall work with the bank personnel and counsels to ensure timely execution of the sale transaction including documentation and closure of the transaction.

Terms enlisted under the head "Execution of Phase II" is not exhaustive and is only indicative. Bank may add or delete or modify the said item/ s. Any such inclusions or deletions shall be executed in consultation with Bank's personnel identified for the purpose / connected with the activity and the consent of FA/s.

Notwithstanding anything mentioned herein the role of FA/s is purely advisory, and not binding on bank. Bank in its sole discretion may decide the all or any of the process, step involved.

Timelines:

Particulars	Dates
Advertisement for appointment of Financial Advisors	19.12.2014
Last date for submission of EOI, technical bid / Financial bid	12.00 noon on 31.12.2014
Opening of Technical Bids	1.00 p.m. on 31.12.2014
Opening of Financial bid	03.01.2015

For detailed terms and conditions, scope of work / process of selection / conditions of empanelment, please visit bank's website <http://www.bankofmaharashtra.in> or contact over phone.

Bank reserves the right to cancel, postpone, and modify terms of empanelment without assigning any reason.

Bank reserves the right not to use services of Financial Advisor and proceed on its own in any matter whatsoever.

Assistant General Manager
Recovery