

**F. No. 4/16/2018-DIPAM-II-A**  
**Government of India**  
**Ministry of Finance**  
**Department of Investment and Public Asset Management**

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**ENGAGEMENT OF REGISTRAR FOR DISINVESTMENT OF 15% PAID UP EQUITY CAPITAL OF KIOCL LTD. OUT OF GOVERNMENT OF INDIA SHAREHOLDING OF 99.06% THROUGH “FOLLOW-ON PUBLIC OFFER” IN THE DOMESTIC MARKET – REQUEST FOR PROPOSALS.**

KIOCL Limited is a schedule 'A' Mini-Ratna Category-I CPSE in Mineral and Metal sector under the administrative control of Ministry of Steel with its registered and corporate office at Bangalore, Karnataka. The country's prestigious Export Oriented Unit having expertise in Iron Ore Mining, Filtration Technology & Production of high quality Pellets is presently engaged in production of Iron Oxide Pellets from its 3.5 MTPA capacity Pelletisation Plant and Foundry Grade Pig Iron having 2.16 lakh Ton Capacity plant located in the coastal city of Mangalore. The manufacturing units accredited with ISO-9001:2008, ISO-14001:2004 and compliant with OHSAS: 18001:2007. As on date the company employed 843 regular employees (Executives & Non-Unionized Supervisors 278 and Non-Executives 565). The Company is in the process massive expansion plan in next 2-3 years with plan for entering into the business of manufacturer of Coke, DISP through forward & backward integration projects. The Company also entered into an MOU with RINL for setting up 2 MTPA pellet Plant at Vizag under Joint Venture. KIOCL also in the process of obtaining statutory clearances for development of Devadari Iron Ore Block in Devadari Range, Ballari Dist. Karnataka which is reserved by Government of Karnataka in the year 2017. KIOCL also diversified into the business of Operation & Maintenance activities, Mineral Exploration Deposit and EPC business.

1.1 The Company had undertaken buy-back of 1,25,88,235 equity shares representing 1.98% of total paid-up share capital at a price of Rs. 170/- per equity share at a consideration of Rs.214 Crores.

1.2 The authorized capital of KIOCL is Rs 675 crore of which the issued and subscribed equity capital as on 31.12.2018 after buy-back is Rs 621.92 crore. Government of India holds 616,051,204 Equity shares of face value Rs.10/- each, representing 99.06% of total equity in KIOCL, and remaining 58,74,361 equity shares representing 0.94% of equity is held by general public

1.3 KIOCL's Equity Shares were listed on regional stock exchanges since its disinvestment in the year 1994-95. Consequent to the exit of the regional stock exchanges, the CPSEs has now re-listed with Metropolitan Stock Exchange of India Ltd. (MSEI) since February 2016, National Stock Exchange of India Ltd. (NSE) since November 2016 and BSE Limited since August 2017.

1.4 Profit After Tax for the Financial Year 2018-19 was Rs. 111.86 crores for KIOCL and as on March 31, 2019, it has a Networth of Rs. 1993 crores.

1.5 The percentage of paid-up equity to be divested will be determined based on the post issue capital of the company calculated in consonance with the clause 19 (2) of the Securities Contracts (Regulation) Rules (SCRR). A part of the public offering will be reserved for employees of the company. The eligible employees and retail investors will be offered shares at a discount (to be decided later) on the Issue price.

## **2. Government Decision**

2.1 The Government intends to disinvest of 15% paid up equity share capital of KIOCL Limited out of its shareholding of 99.06% (as on 31.03.2019), through “Follow-on Public Offer” in the domestic market. A part of the public offering will be reserved for employees of the company. The eligible employees and retail investors will be offered shares at a discount (to be decided later) on the Issue price.

## **3. Scope of Work of Registrar**

3.1 The scope of work of the Registrar for the FPO is given in the **Annexure - I**.

## **4. Eligibility criteria**

4.1 To be eligible for the above transaction, the Registrar should have the following qualifications:-

(i) Should be Category - I SEBI Registered Registrar, with validity of registration with SEBI covering at least next 6 months. (Provide a copy of the certificate while submitting the proposal).

(ii) Clean Track record - no penalty / debar from SEBI in the past three years and its registration is valid and is not debarred from functioning as a Registrar by any regulatory authority as on the date of submission of its bid. Further more there is no investigation pending against it or the CEO, Directors / Managers / Employees of its concern that if decided against the bidder or above person, shall render it ineligible. (Self-certify and submit it along with the proposal).

(iii) (a) Maintained at least 1,00,000 folios as on **30.06.2019**; and

(b) Handled a minimum number of 25,000 applications during the period 01.07.2018 to 30.06.2019 in any one transaction of IPOs or FPOs, SME IPOs. (Details be furnished in **Envelope 1**).

(iv) Past track record of handling the IPO / FPO.

(v) Should have positive financial net worth and profit record in all the past three years.

(vi) Having a functional office at **Bengaluru** where the registered office of KIOCL is situated.

## **5. Proposal Format**

5.1 Interested firms are requested to submit their Proposal in the format given below:

### **A. Experience and capability in handling Initial / Follow-on Public Offer: (Weightage for evaluation 25/100)**

- (i) Profile of the organization.
- (ii) Capability, capacity and previous experience of the Firm and expertise in handling such assignments including IPO / FPO of CPSEs.
- (iii) Details of successful offerings handled.
- (iv) Demonstrate the ability to work with the Government and CPSEs in coordination with BRLMs and other intermediaries as a part of team.

### **B. Infrastructure & Manpower: (Weightage for evaluation 25/100)**

- (i) Details of infrastructural facilities like office, manpower etc.
- (ii) Detailed profile of the core and support teams (with CVs of each team member detailing qualification and relevant experience) that will be deployed on the assignment in the event of selection.
- (iii) Technology for Client/Investor servicing (dissemination of information on allotments/refunds through Website, IVRS, Alerts, Reports, web access to data base to company, etc.).
- (iv) Technical infrastructure - Data base maintenance, Redundancy in capacity, scalability, DRS and BCP, data security, achieve and retrieval, communication, Voice data management, integrity and validation.
- (v) Area of work Site, storage facilities.
- (vi) Dispatch arrangement - SELF GPC or through mailing agents.
- (vii) Indicate the average historically time taken by you to solve the investors grievances in the last 3 years.

### **C. Understanding of the Regulatory framework: (Weightage for evaluation 20/100)**

- (i) Demonstrate understanding of the legal, policy, regulatory and procedural issues in Public Offerings, i.e. SEBI, Companies Act, FDI etc.
- (ii) Indicate your expertise in handling the regulatory requirements including investors grievances redressal and coordinating with the stock exchanges / BRLMs / SEBI etc.

**D. Indicative Timeline: (Weightage for evaluation 10/100)**

- (i) The transaction is proposed to be completed in the current FY. Demonstrate ability to deliver in accordance with tight timetable requirements and the ability to commit key personnel for the entire duration of the transaction.

**E. Strategy for the Initial / Follow-on Public Offer: (Weightage for evaluation 20/100)**

- (i) Indicate intended approach to the proposed transaction including the sequencing of the transaction.

**6. Submission of Proposal**

6.1 The proposals are required to be submitted in two envelopes as per the following:

- (i) **Envelope 1:** containing the technical bid as per format in paragraph 5, and eligibility as per para 4.1 to be opened in the presence of the bidders on **30<sup>th</sup> August, 2019 at 15.30 Hrs** in the Committee Room of the Department of Investment and Public Asset Management (DIPAM), (Room No. 421, 4<sup>th</sup> Floor, Block 11/14, CGO Complex, Lodhi Road, New Delhi- 110003). The bidders are also required to send technical bid through soft copy to DIPAM after the opening of the bids.
- (ii) **Envelope 2 (Sealed):** containing the Financial Bid, to be opened only after the presentations and of only those parties who qualify in the technical bid. The bids will be opened in the presence of the bidders (who are technically qualified based on presentations) immediately after the presentations. Bids with conditionality will be summarily rejected.

6.2 The proposal (both envelopes) can be submitted latest by **15.00 Hrs on 30<sup>th</sup> August, 2019** to Shri Priya Ranjan, Under Secretary, Department of Investment & Public Asset Management, Room No. 217, 2<sup>nd</sup> Floor, Block No. 11, CGO Complex, Lodhi Road, New Delhi - 110003, in hard copies in original, duly signed by the authorized officer of the Registrar. No proposal will be entertained after the appointed time and date. The Government will not be responsible for any postal/ courier delay. The proposals received after the appointed time and date will be rejected.

6.3 The Government reserves the sole right to accept or reject any or all Proposals thus received without assigning any reasons thereof.

#### 6.4 **Pre-Bid Meeting**

A pre-bid meeting shall be convened in DIPAM's Committee Room (Room No. 421), 4<sup>th</sup> Floor, Block No 11/14, CGO Complex, Lodhi Road, New Delhi - 110003 on 19<sup>th</sup> August, 2019 at 03:00 PM. The Bidders may use the platform to have all the queries answered. The Bidders are expected to submit all the queries before the pre-bid meeting. A maximum of two representatives from each bidder would be allowed in the pre-bid meeting.

#### 7. **Evaluation process**

(a) Qualified Interested Firms will be required to make a presentation in respect of their Proposal before a Selection Committee in New Delhi in the Committee Room (Room No. 421, Block 11/14), Department of Investment and Public Asset Management DIPAM, CGO Complex, Lodhi Road, New Delhi - 110003.

(b) The schedule of presentation will be posted on the Department of Investment and Public Asset Management website <https://dipam.gov.in/> in due course.

(c) The Selection Committee will evaluate the applicants on the criteria mentioned in paragraph 5 above and based on their Proposal and presentation; short-list them for considering their financial bids. The financial bids of the parties scoring minimum marks as decided by the Selection Committee for Technical Evaluation will only be opened. The technically shortlisted party which quotes the lowest fee for the transaction would be selected as the Registrar to the FPO by KIOCL.

(d) In case of tie in the lowest financial bid, the marks awarded in technical evaluation will decide the successful bidder i.e. the bidder who has got the highest marks in technical evaluation will be awarded the work.

#### 8. **Requirements for Financial Bids**

(a) The bidders should submit the financial bid in the format attached as “**Annexure – II**”. The lumpsum ‘fee quoted’ should not be less than Re. 1/- and should be in the multiple of Re. 1/- thereafter.

##### **Note:**

- (i) The fee quoted should be unconditional and inclusive of all expenditure included in the scope of work for the IPO / FPO process and shall also include activities that are incidental or are associated in the defined scope. All taxes and levies as applicable from time to time shall be borne by the Bidder.
- (ii) All Postage charges on activities associated with IPO / FPO shall be borne by the Registrar and shall be factored in the fee quoted.
- (iii) The bidder cannot prescribe any time limit for validity of financial bid.
- (iv) The Government reserves the right to call off the transaction at any stage without assigning any reasons thereof.

9. For any further clarification, please contact Shri Priya Ranjan, Under Secretary, Ministry of Finance, Department of Investment and Public Asset Management, Room No. 217, 2<sup>nd</sup> Floor, Block No.11, CGO Complex, Lodhi Road, New Delhi -110003, Tel. 011-24368736, e-mail: [priya.ranjan@nic.in](mailto:priya.ranjan@nic.in).

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**SCOPE OF WORK OF REGISTRAR FOR FPO**

- (i) Assisting the Company in the entire process of dematerialization of the paid-up equity shares
- (ii) Preparing Anchor CANs post Anchor allocation in case the Company undertakes an issue to Anchor investors.
- (iii) Opening the escrow demat account and facilitating the transfer of shares offered for sale by the Selling Shareholder in the demat escrow account prior to the opening of the FPO.
- (iv) Liaising with the Depositories on behalf of the Company for obtaining the International Securities Identification Number (ISIN) and for finalising the tripartite agreement to be entered into with the Depositories.
- (v) Giving instruction to the Depository to activate lock-in for the pre-FPO capital (as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended) and Anchor lock-in.
- (vi) Ensuring bid cum application forms from various locations are accepted by SCSBs from Brokers / Investors / Registered Intermediaries.
- (vii) Collection of the electronic bid data from the Stock Exchanges after closure of the FPO offer period.
- (viii) Collection of the aggregate data in relation to the total number of ASBA applications uploaded by the Self Certified Syndicate Banks (SCSBs and the total number of equity shares and the total amount blocked against the uploaded ASBA applications, from each SCSB.
- (ix) Reconciliation of the compiled data collected from the Stock Exchanges with the data collected from the SCSBs.
- (x) Matching the DP ID, Client ID and PAN specified in the reconciled data with the depository's database.
- (xi) Identifying bids of rejection in respect of which the DP ID, Client ID and PAN in the reconciled/rectified data does not match with the details in the depository's database as well as weeding out multiple applications.
- (xii) Keeping a proper record of bids and monies received from the bidders.
- (xiii) Keeping accurately, at all times, the electronic records related to ASBA applications received from all SCSBs / members of the syndicate / sub-syndicate and taken from the online Public Offer System of the Stock Exchanges including particulars relating to the (a) allocation and allotment of equity shares against valid applications, (b) Public Offer Account and (c) rejected / unsuccessful ASBA applications.
- (xiv) Coordinating with the escrow collection bankers for submission of provisional and final certificate and SCSBs for submission of final certificates, after taking into account rectifications, if any.
- (xv) Coordinating with the concerned depository and ensure that the number of Equity Shares allocated to each category of bidders is correct in all respects.

- (xvi) Providing correct data in time for determination and finalization of the basis of allocation and allotment in coordination with the designated Stock Exchange.
- (xvii) Post communication of the basis of allotment, preparation of list of allottees.
- (xviii) Dispatch of allotment advice cum intimation, credit of shares to the allottees, etc.
- (xix) Carrying out and complying with the procedures for monitoring activities of the intermediaries.
- (xx) Ensuring that proper grievance handling mechanism is in place at its office during the period of the FPO and after closing of the offer, as per regulations.
- (xxi) Settling investor complaints and grievances in a timely manner as given under the SEBI regulations or as specified by Stock Exchanges and maintaining their records.
- (xxii) Assisting the selling shareholders / CPSEs by providing necessary reports, etc. and complying with the formalities of the designated stock exchange.
- (xxiii) Prepare the schedules in relation to listing application.
- (xxiv) Arranging to obtain certificates from Auditors / Practicing secretary with regard to the securities under a "lock-in" period, if any, and also that the allotment as having been made only as per the approved Basis of Allotment, by the Designated Stock Exchange.
- (xxv) Consolidating the list of subscriptions received through the Syndicate Members and evaluating their performance. Prepare statement of selling commission payable, if any, and arrange for their dispatch.
- (xxvi) Finalizing the final post-FPO monitoring report, along with relevant documents/certificates to be submitted to SEBI within the stipulated time in consultation with the BRLMs and the Company.
- (xxvii) Performing such other functions, duties, obligations and services as are required under applicable law (including the rules and regulations prescribed by SEBI) in respect of the Offer, including, but not limited to, such functions, duties, obligations and services as may be more specifically set forth in the agreement to be entered into in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

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**FINANCIAL BID**

Lump Sum fee quoted: (Inclusive of taxes & levies)	(In figure) (in words)
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**Note:**

- (i) The lumpsum 'fee quoted' should not be less than Re. 1/- and should be in the multiple of Re. 1/- thereafter
- (ii) Fee quoted should be specified in words and figures. In case of discrepancy, fee quoted in words would be considered valid.
- (iii) The Govt. / DIPAM shall not be liable to payment of any amount, other than 'fee quoted' in respect of any activity, defined in scope of work or activities/process incidental/ associated thereof.
- (iv) Please refer to para 8 for requirements of financial bids