

**INVITATION OF BIDS**

**FOR**

**SALE OF SHARES OF PUNJAB NATIONAL BANK ("SELLER 1") & ALPHA MICRO FINANCE  
CONSULTANTS PRIVATE LIMITED ("SELLER 2") IN  
CRIF HIGH MARK CREDIT INFORMATION SERVICES PRIVATE LIMITED ("CRIF HIGH MARK")**

**REQUEST FOR PROPOSAL**



(A wholly owned subsidiary of Punjab National Bank)

PNB Pragati Towers, 2nd Floor, C-9, G Block, Bandra Kurla Complex,  
Bandra East Mumbai 400 051

**Date of Issue: 14 February 2019**

**Last Date of Submission: 21 February 2019 up to 15:00 Hrs (IST)**

## **1. BACKGROUND**

- i. Punjab National Bank ("**PNB**"/"**Seller 1**") holds 3.98% of the paid-up equity share capital i.e. 19,26,531 equity shares of face value of Rs.10/- each of CRIF High Mark Credit Information Services Private Limited (**CRIF High Mark**).
- ii. Alpha Micro Finance Consultants Private Limited ("**AM**"/"**Seller 2**") holds 1.99% of the paid-up equity share capital i.e. 9,63,265 equity shares of face value of Rs. 10 /- each of CRIF High Mark.
- iii. Both, Seller 1 and Seller 2 (**collectively referred to as "the Sellers"**) intend to sell their respective entire shareholding in CRIF High Mark.
- iv. PNB Investment Services Ltd. ("**PNBISL/Advisors**") has been appointed as Merchant Bankers/Advisors by PNB and AM for the intended stake sale. PNBISL invites Bids from domestic investors for purchase of 19,26,531 shares held by PNB representing 3.98%, and 9,63,265 shares held by AM representing 1.99% in CRIF High Mark.
- v. An advertisement published on 15 February 2019 has been issued by PNBISL in Business Standard (All Editions) inviting Bids for sale of shares held by the Sellers in CRIF High Mark.

## **2. FLOOR PRICE**

The Floor Price of the shares is Rs. 103 per share.

## **3. ABOUT CRIF HIGH MARK**

- i. CRIF High Mark (Formerly High Mark Credit Information Services Pvt. Ltd.), a Private Limited Company incorporated under the provisions of the Companies Act, 1956 is a Credit Information Company as per the Credit Information Companies (Regulations) Act, 2005, having been granted a Certificate of Registration by Reserve Bank of India (RBI). CRIF S.p.A acquired majority stake in High Mark in mid-2014. Following the acquisition, High Mark Credit Information Services was renamed CRIF High Mark Credit Information Services, bringing together advanced identity management technology from its existing research team and drawing global best practices in top tier bureau technology from CRIF S.p.A.

- ii. Amongst firsts in India
  - a. First full-service bureau
  - b. First Bureau to offer Microfinance credit reports
  - c. First Bureau to provide Comprehensive CIR on borrowers
  - d. First Bureau to offer Commercial Score
  
- iii. CRIF High Mark is India's only full - service credit information bureau which comprehensively covers credit information for all borrower segments viz. MSME and Commercial borrowers, Retail consumers and Microfinance borrowers, across the vast expanses (whether urban or rural areas) spread across India. With one of the largest databases of individuals and businesses from over 3000 financial institutions CRIF High Mark provides credit information services for and supports millions of lending decisions every month. Apart from CRIF S.p.A, CRIF High Mark's investor-partners include State Bank of India, Punjab National Bank, SIDBI, Edelweiss, Shriram City Union Finance amongst others.

#### **4. PRE-BID QUERIES AND MEETING**

- i. The prospective Bidder(s), requiring any clarification on the terms of this Request for Proposal ("**RFP**") may notify the same in the form of a query to PNBISL by e-mail on [project.trust@pnbisl.com](mailto:project.trust@pnbisl.com) latest by **1500 hrs (IST) on 19 February , 2019.**
- ii. A pre-bid meeting shall be conducted in the office of PNBISL as mentioned on **19 February 2019 at 1500 hrs.**

#### **5. SUBMISSION OF BIDS**

- i. The Bids should be in conformity with the terms and conditions stated in this RFP.
- ii. **Submission in hard copy:**
  - a) The Bid shall be submitted on or before **1500 hrs on 21 February 2019** in sealed envelope marked as "**Bid for Purchase of Shares in CRIF High Mark**" to the following address of PNBISL:

**PNB Investment Services Ltd**

PNB Pragati Towers, 2nd Floor,  
C-9, G Block, Bandra Kurla Complex,  
Bandra East, Mumbai - 400 051  
Tel: 022 2672 6299  
Email: project.trust@pnbisl.com

b) The envelope shall clearly mention (i) Date (ii) Bidder's Name and (iii) Address.

iii. **Submission by E-mail:**

a) The Bids shall be submitted electronically as a duly executed password protected pdf file via email by **1500 Hrs. on 21 February 2019** addressed to **project.trust@pnbisl.com** with the "Subject" line mentioned as "Bid for Purchase of Shares in CRIF High Mark",

b) The covering email shall clearly mention (i) Date (ii) Bidder's Name and (iii) Address.

c) The password to the pdf file should be sent to the same email id between **1500 Hrs. and 1700 Hrs. on 21 February 2019**.

d) Under no circumstances should the password be shared along with the Bid or before **1500 Hrs. on 21 February 2019**.

e) The Bids sent by email should be followed by a physical copy of the duly executed Bid to be delivered to the above- mentioned address of PNBISL by, 28 February 2019.

iv. **Modification in RFP:** At any time prior to the deadline for submission of the Bids, the Sellers may modify/add/delete any part of this RFP. Such change(s) if any may be in the form of an addendum/corrigendum and will be uploaded on the website of PNBISL – **www.pnbisl.com**. All such change(s) will automatically become part of this RFP and will be binding on all Bidders. The Bidders are advised to regularly refer the website before submitting the Bid.

v. **Details to be mentioned in the Bid:**

| <b><u>Sr. No</u></b> | <b><u>Particulars of the Bidder</u></b> |
|----------------------|---|
| 1                    | Name                                    |
| 2                    | Address                                 |

|    |  |
|----|--|
| 3  | Profile specifying the following:<br>a. Particulars of constitution<br>b. Ownership,<br>c. Main business activities,<br>d. Existence and geographical presence including number of offices and infrastructure, human resources, experience etc.<br>e. Telephone no.<br>f. Fax no.<br>g. E-mail |
| 4  | Bid Price in INR per share:  |
| 5  | Details of the contact person<br>a. Name<br>b. Designation<br>c. Address<br>d. Tel. No.<br>e. Mobile No.<br>f. E-mail  |
| 6  | Details of registration with Securities and Exchange Board of India ("SEBI")/ RBI, if any  |
| 7  | Details of pending litigation(s) and/or contingent liabilities, if any, as also the details of any past conviction and criminal proceeding(s) against the Bidder/directors/ partners of the Bidder that may have any potential impact on the sale contemplated                                 |
| 8  | Latest audited Net Worth   |
| 9  | Any other details/ information considered relevant   |
| 10 | Confirmation on its letter head that the Bid is complete with all documents duly signed by authorized signatory and that all the information mentioned in the Bid is true and correct.   |
| 11 | Confirmation on its letter head that the Bidder has complied with/ agreed to comply with all the statutory formalities/ guidelines/ regulations/ circulars issued by RBI, SEBI, Companies Act 2013 read with relevant Rules and other relevant statutory                                       |

|  |   |
|--|---|
|  | provisions as applicable to the present sale of shares. |
|--|---|

**Note :**

- a) All information/ details are required to be supported by documents duly certified by the authorized signatory.
- b) Any interlineations, erasures or overwriting shall be valid only if the signatory signing the bid authenticates them.
- c) Proof of the authorized signatory having the authority to sign the documents (Copy of Board Resolution/ Power of Attorney,) must be enclosed with the Bid.
- d) The Bidder shall be a domestic entity.
- e) In case the Bidder is a trust or a fund (e.g. AIF) investment manager/ investment advisor appointed by the trust/ fund can submit the Bid on its letterhead and details sought above shall be provided for the trust/ fund or for the investment manager/ investment advisor, as applicable. Similarly, details as relevant and applicable to their specific constitution, charter documents of a Bidder may also be provided.

vi. **Other conditions for submission of Bids:**

- a) Bid should be submitted individually and independently by the Bidder. Bidding in consortium is not permitted.
- b) Bid for the price per share should be mentioned clearly and in conformity with the terms of the RFP.
- c) All the pages of the Bid should be signed and stamped by the authorized officer(s) of the Bidder.
- d) Submission of Bid by the Bidder shall be deemed as an absolute acceptance of all the terms and conditions contained in this RFP.
- e) After its submission, the Bidder will not be allowed to withdraw the Bid for a period of 4 working days by which time the Sellers/ the Advisors shall announce winner of the Bid. After a Bidder having been communicated to be the winner of the Bid, the winning Bidder will not be allowed to withdraw the Bid for a period of 6 months by which time the Sellers and the winning Bidder shall endeavour to complete closing conditions and conclude the sale.

- f) The Sellers/PNBISL shall not be responsible for non-receipt of Bids by the specified date and time on account of any reason including but not limited to postal delays or holidays etc.
- g) Under no circumstances, the Bidder should give or withhold any information or statement or document that is likely to mislead the Sellers/PNBISL.

## **6. EVALUATION OF BIDS**

- i. The Bid has to be submitted for the entire 28,89,796 equity shares (19,26,531 equity shares of Seller 1 & 9,63,265 equity shares of Seller 2).
- ii. Though, the Bid has to be submitted for 28,89,796 equity shares, it is to be noted that the payment, settlement and execution of the relevant documents will be done separately by the Sellers i.e. PNB and AM.
- iii. Any Bid quoting a range of offer price shall not be accepted. The Bid is required to mention a specific offer price per share.
- iv. The Bidder quoting the best consideration to the Sellers shall be declared "H1" Bidder. The Bidder quoting the next highest consideration shall be "H2" Bidder and so on.
- v. If more than one Bidder is declared as H1 Bidder, then such Bidders shall be provided an opportunity to revise the price upward by submitting a revised Bid through email (duly executed password protected pdf file) on the same day by 1930 hrs. In case a situation emerges of tie even on revision of Bid, the Sellers/PNBISL will have the right to take decision on the final buyer.
- vi. The Bidder and the Sellers shall have to comply with the provisions of the Shareholders Agreement dated 17<sup>th</sup> April 2014 executed amongst CRIF S.p.A(the Parent Company of CRIF High Mark) and other shareholders of CRIF High Mark.
- vii. The Sellers/PNBISL reserve the right to cancel or accept any/all the Bids, at their sole and absolute discretion, without assigning any reason whatsoever and the Sellers'/PNBISL's decision in this regard will be final.
- viii. Each of the Sellers shall have right to individually accept or reject the Bid in full but neither shall have right to accept or reject the Bid in part. Even if one of the Sellers rejects the Bid, the other Seller shall be free to accept the Bid and proceed with the sale of its stake.

- ix. If deemed necessary, the Sellers/PNBISL may seek clarifications on any aspect of Bid from the bidder. If a written response is requested, it must be provided within 2 working days. Response received, if any after the stipulated period will not be considered. However, that would not entitle the Bidders to change or cause any change in the substance of the Bid document already submitted. All information submitted in the Bid or obtained subsequently will be treated as confidential.

**7. OPENING OF BIDS**

The Bids shall be opened at the office of PNBISL at **1700 Hrs. on 21 February 2019**. The Bidders, who have submitted the Bids, may remain present at the time of opening of the Bids.

**8. DATE OF ACCEPTANCE OF BIDS AND COMMUNICATION TO THE BIDDER**

The date of acceptance of Bids and communication to the Bidder shall be on or before **27 February 2019**.

**9. DISQUALIFICATION OF BIDS**

- i. The Sellers/PNBISL reserve an absolute and unconditional right to reject the Bid if it is not in accordance with the requirements of RFP.
- ii. The Sellers/PNBISL 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.
- iii. Physical Bids received after **1500 hrs on 21 February, 2019** shall not be accepted and shall be returned un-opened.
- iv. The Bids received through electronic mode after **1500 hrs on 21 February, 2019** shall not be considered.
- v. Bids for which the password is received before **1500 Hrs. on 21 February, 2019** shall be liable to be rejected.
- vi. The Bidder should not have been prohibited by any regulatory authority for buying such shares as put for sale by the Sellers.
- vii. Partial Bid of shares (Bids only for a part of the 28,89,796 equity shares) shall be liable to be rejected.



- viii. There should not be any adverse remarks on the Bidder by any regulator that may cause hindrance in consummation of the transaction.
- ix. Without prejudice to any other rights or remedies available to the Sellers/PNBISL, the Bidder may be disqualified or rejected for any reason whatsoever including but not limited to those listed below:
  - a. Misrepresentation and/or suppression of facts by the Bidder;
  - b. Failure on the part of the Bidder to provide necessary and sufficient information required to be provided in the Bid;
  - c. Information furnished by the Bidder is found to be incorrect or misleading;
  - d. Failure to comply with the terms and conditions mentioned in the RFP;
  - e. The Bid is illegible;
  - f. The Bid and other documents are not signed by the authorized signatory of the Bidder.
- x. If any information comes to the knowledge of the Sellers which would have entitled the Sellers based on the submission requirement specified above, to reject or disqualify the Bidder, the Sellers reserve 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 Sellers.
- xi. Any effort on the part of Bidder to influence the evaluation process will result in rejection of the Bid.

## **10. TERMS AND CONDITIONS**

- i. No contractual obligation whatsoever shall arise from this RFP and receipt of the Bid.
- ii. Submission of the Bid is evidence of the Bidder's consent to comply with the terms and conditions of this RFP and subsequent bidding process. If a Bidder fails to comply with any of the terms, its bid may be summarily rejected.
- iii. The Bidders are required to do their independent enquiries, due diligence and assessment, at their cost, about the operations, financials, legal requirements and other information about CRIF High Mark. The Sellers/PNBISL shall not be responsible for any issue(s) raised by the Bidder in future.

- iv. The Sellers/PNBISL shall not in any way be held responsible for any procedural delay and shall not be assigned any financial loss caused during the assignment.
- v. The Bidder shall provide any transactional support required for the successful completion of the sale.
- vi. The Sellers/PNBISL reserve the right to withdraw the RFP at any time before signing of a definitive agreement, 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 PNBISL's website.
- vii. Bidders are required to 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.
- viii. This RFP does not imply to be all-inclusive or contain all the information about CRIF High Mark or be the basis of any contract. No representation or warranty, express or implied, is or will be made as to the reliability, accuracy or the completeness of any of the information contained herein.
- ix. While this RFP has been prepared in good faith, neither CRIF High Mark nor the Sellers nor PNBISL nor any of their respective directors, officers, employees, representatives, advisors or agents make any representation or warranty or shall have any responsibility or liability whatsoever in respect of any statements made or omissions and has no express or implied liability whatsoever, even if any loss or damage is caused by any such act or omission.
- x. The Bidders shall be deemed to have:
  - a. Examined this RFP and its subsequent changes, if any for the purpose of responding to it.
  - b. Examined all circumstances and contingencies, having an effect on their bid and which is obtainable by making reasonable enquiries.
  - c. Satisfied themselves as to the correctness and sufficiency of their bids and if any discrepancy, error or omission is noticed in this RFP, the Bidder shall notify PNBISL in writing on or before the end date/time.
- xi. The Bidders shall bear all costs associated with submission of Bids. The Sellers/PNBISL will not be responsible or liable for any cost thereof if the Bids are not shortlisted.

- xii. The right to deal with next highest bidder in case the highest bidder fails to conclude the sale rests solely with the Sellers/PNBISL. The Bidders must advise the Sellers/PNBISL immediately in writing of any material change to the information contained in the Bid, including any substantial change in their ownership or their financial or technical capacity.

#### **11. CONFIDENTIALITY**

The Bidders shall agree that all confidential information relating to the transaction disclosed for the purpose of the stake sale process shall be kept confidential, from the date hereof until the end of a period of 1 year from the date of completion of the sale or from the date of this RFP (in the case of unsuccessful bidder).

#### **12. FRAUD AND CORRUPT PRACTICES**

The Bidders and their respective officers and employees, agents, managers and advisers shall observe the highest standard of ethics during the entire stake sale process. Notwithstanding anything to the contrary contained in the RFP, the Sellers shall reject a bid 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 stake sale process.

#### **13. APPLICABLE LAW**

- i. Disputes, if any, arising out of this RFP will 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 arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 subject to such amendments as may be for the time being in force. The seat of the proceedings of Arbitration shall be in Mumbai and the language shall be Hindi/English. The arbitration shall be conducted by a sole arbitrator who shall be appointed by both the parties by mutual consent.
- ii. The RFP shall be governed by laws of India and the Courts of Mumbai shall have the jurisdiction to try and entertain all matters relating to this RFP.
- iii. Bidders will be required to adhere to laws/ guidelines applicable to this Transaction which includes the following but not limited to:

- a. Credit Information Companies (Regulation) Act, 2005
- b. Credit Information Companies Regulations, 2006
- c. RBI's notification bearing reference no. DBR. CID. BC. No.98/20.16.042/2015-16 dated 19th May, 2016 read with press release dated 19th May, 2016 bearing reference no. 2015-2016/2699.
- d. Companies Act, 2013 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. 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.
- h. The Bidder is required to comply with the all the guidelines issued by Central Vigilance Commission (CVC), Government of India as may be applicable.