

Empanelment of Agencies for Valuation and Disposal of Assets

Securities and Exchange Board of India (SEBI) is a statutory body established by an Act of Parliament to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market and for matters connected therewith or incidental thereto.

SEBI has been initiating recovery proceedings against various defaulters for their failure to pay penalty imposed by the adjudicating officer or to comply with any direction of SEBI for refund of monies or to comply with a direction of disgorgement order issued by SEBI or to pay any fees due to SEBI. The recovery proceedings are initiated in terms of Section 28A of the SEBI Act, 1992, Section 23JB of Securities Contracts (Regulation) Act, 1956 and Section 19IB of the Depositories Act, 1996 read with Sections 220 to 227, 228A, 229, 232, the Second and Third Schedules to the Income-tax Act, 1961 and the Income-tax (Certificate Proceedings) Rules, 1962.

In exercise of the said powers, SEBI attaches the assets of the defaulters and prohibits them from disposing, transferring, alienating or creating any encumbrance on such assets. The attachment orders passed by SEBI are available on the SEBI website under Recovery Proceedings. The attached assets are required to be sold for recovering dues in execution of the Recovery Certificate drawn against the defaulter. In furtherance of the same, SEBI has decided to empanel a maximum of five Agencies, for a maximum tenure of **five** years, in this regard.

1. OBJECTIVE OF THE ASSIGNMENT

The objective of this assignment is to assist SEBI in valuation of attached assets and sale thereof to prospective buyers on behalf of SEBI in accordance with law.

2. ELIGIBILITY CRITERIA

Any Agency, which fulfils the below mentioned criteria is eligible to apply for empanelment:

- i. the Agency should be
 - a. a company registered under the Companies Act, 1956 / 2013; or
 - b. a statutory body; or
 - c. a Scheduled Commercial Bank; or
 - d. a Financial Institution; or
 - e. an Asset Reconstruction Company; or
 - f. a Securitization Company; or
 - g. an associate/ subsidiary of a Scheduled Commercial Bank or a Financial Institution or a Company/Undertaking substantially owned by Government;
- ii. the Agency should have a net worth of not less than Rs. 1 crore;
- iii. the Agency should have prior experience in similar activities of dealing in sale of

- immovable properties for the last three years;
- iv. the Agency should have an annual turnover of not less than Rs. 5 crore for each of the last three financial years;
- v. the Agency must not be prohibited from undertaking the proposed activities;
- vi. the Agency shall have offices in Mumbai, Kolkata, Chennai, Delhi, Ahmedabad and also preferably in all state capitals.

3. SELECTION PROCESS

A selection committee will review and analyze all applications on the basis of criteria given in paragraph 2 above. However, preference would be given based on the following criteria:

- i. similar work experience with any Government agency/ Public sector undertaking/ Statutory body;
- ii. higher net worth and turnover;
- iii. offices in every State capital;
- iv. existence of a dedicated team exclusively dealing with these matters

SEBI, at its discretion, may request any applicant to make presentations or hold discussions with any or all participants, for the purpose of clarification, or to amplify the material presented in any part of the empanelment notice.

4. SCOPE OF THE ASSIGNMENT

The scope of the assignment of the Agency is as follows:

- i. the Agency shall be responsible for identification of assets with metes and bounds based on the information that is available with SEBI and provided to the Agency;
- ii. the Agency shall take steps to dispose the assets on "*As is Where Is and Whatever There Is*" basis;
- iii. the Agency shall obtain necessary details, information, etc., that may be required to identify the assets.
- iv. the Agency shall obtain valuation of the properties in terms of market value/ fair value and government guideline/ circle/ index/ ready reckoner value through a valuer registered with the Insolvency and Bankruptcy Board of India (IBBI) and advise SEBI on the valuation which would help SEBI in deciding the reserve price for the proposed sale;
- v. the Agency shall take efforts to find prospective buyers by sending mails, etc. to potential buyers whose details are available in their data bank;
- vi. the Agency shall undertake all activities for conducting auction of the assets including preparation of Proclamation of Sale, drafting and publication of advertisements in newspapers including vernacular languages, e-auction of immovable assets through their in-house mechanism or through agencies notified by Ministry of Finance, Govt. of India with the approval of SEBI, handing over of possession of the assets to the prospective buyers, etc.;
- vii. the Agency shall be responsible for undertaking all ancillary functions in respect of

the above processes and any other task as may be entrusted by SEBI from time to time.

5. KEY TASKS AND RESPONSIBILITIES

The key tasks and responsibilities of an Agency upon empanelment shall be as under:

- i. the Agency shall be responsible for providing high quality services in valuation of the assets by deploying qualified and adequate valuers registered with IBBI. The Agency shall deploy the right kind of valuers at all times. The Agency shall appoint a Nodal Officer in each of the offices at Mumbai, Kolkata, Chennai, Delhi and Ahmedabad for coordination with SEBI. The Recovery Officer(s) at the respective offices of SEBI will be the Nodal Officers of SEBI;
- ii. the Agency shall obtain necessary details, information etc., that may be required to identify the assets. In appropriate cases, at the request of the Agency, SEBI may consider issuing necessary directions/ instructions to the defaulter/ its directors/ Key Managerial Persons or request revenue authorities to extend necessary assistance to the Agency in the process;
- iii. the Agency shall be responsible for payment of fees, charges, expenses, etc. in connection with identification and valuation of the assets;
- iv. the Agency shall provide one set of Valuation Report in original, duly signed by the valuer along with his seal and proof of registration with IBBI and Registered Valuers Organisation (RVO). The Valuation Report shall *inter-alia* contain the following points:
 - latest government guideline value along with supporting document;
 - cost comparison with latest CPWD rates, wherever constructions are valued;
 - fair market value, realizable value, forced sale value etc.;
 - detailed basis, parameters, methods etc. adopted by the valuer for arriving at the valuation, depreciation, discounts etc.
- v. the Agency shall obtain free and independent valuation and shall not in any way influence the valuer;
- vi. the Agency shall arrange to provide inspection of properties and depute person/s to assist prospective buyers in inspection of the properties;
- vii. the Agency shall be responsible for providing all logistic support to SEBI in liquidating the assets. The Agency shall be responsible for providing inputs to SEBI in order to arrive at the correct value of the property and to enable SEBI to decide the Reserve Price;
- viii. the Agency shall provide draft Proclamation of Sale as per the format supplied by SEBI, including in vernacular languages, for its approval. After receiving SEBI's approval, the Agency shall finalize and publish the approved Proclamation of Sale in newspapers in the languages indicated by SEBI;
- ix. the Agency shall provide e-auction platform or engage e-auction service providers approved by Ministry of Finance;
- x. the Agency shall receive instruments towards payment of various amounts on behalf of SEBI and hand over the same to SEBI immediately. The online payments/ instruments should be in favour of 'SEBI Recovery Proceeds' account payable at

Mumbai;

- xi. the Agency shall provide infrastructure and other support to the prospective bidder/s who submit/s physical bid for participation in e-auction;
- xii. the Agency shall assist SEBI in handing over possession to the buyer after sale is completed in accordance with the prescribed procedure and the directions of SEBI;
- xiii. the Agency shall be responsible for preparing and handling post sale documentation process.

6. TIMELINE

The Agency shall endeavor to complete the task as per the schedule below. The commencement of time would be from the date of receipt of details of the properties from SEBI.

SI No.	Activity	Timeline
1	Obtaining Valuation Report and fixing e-auctioneer (if not available in-house)	Fifteen days
2	Submitting draft Proclamation of Sale along with Valuation Report to SEBI	One week from the date of receipt of the Valuation Report
3	Publication of Proclamation of Sale in newspapers.	One week from the date of receipt of signed Proclamation of Sale from SEBI
4	Forwarding copies of EMD receipts and scanned documents submitted by the prospective bidders to SEBI	One day from the last date for receipt of bids
5	Opening of e-auction	The date specified in the Proclamation of Sale or such other date with the approval of SEBI
6	Forwarding copies of e-auction reports	Immediately after completion of auction process
7	Re-auction process - Submission of Re-Proclamation of Sale to SEBI	One week from the date of failure of auction and thereafter all other actions as per the schedule referred above.
8	Forwarding/Depositing of sale proceeds	Immediately on receipt
9	Handing over of possession to the successful bidder	Within the timeline as specified by SEBI

7. PAYMENT TERMS

The Agency shall be eligible for payment as per the following stages:

Sl No.	Stages	Payment terms
1	Upon successful completion of sale and realization of sale proceeds	An amount equivalent to 1.15% of the actual sale consideration.
2	Upon default of the successful bidder to remit the sale price (with a condition that the Agency shall continue the auction process till the property is resold for which the agency will be entitled for fresh full charges worked out on the resale price. However, no other charges will be paid for the failed auctions.)	An amount equivalent to 1.15% of the actual sale consideration.
3	Failure of auction at first attempt due to non-receipt of valid bids etc.	An amount equivalent to 1/4 th of 1.15% of the reserve price fixed by SEBI in the first round
4	Failure of auction at subsequent attempts	Nil
5	Withdrawal or holding of sale by SEBI for any reasons, after obtaining valuation and before the date of first auction attempt, for a continuous period of one year and not re-entrusted within one year from the date of withdrawal or holding	Reimbursement of Valuation charges and e-auction services charges, at actuals, if incurred.
6	Withdrawal or holding of sale by SEBI for any reasons after the first or subsequent attempt of auction failure for a continuous period of one year and not re-entrusted within one year from the date of withdrawal or holding	An amount equivalent to 1/4 th of 1.15% of the reserve price fixed by SEBI in the first round, in addition to 1/4 th referred at 3 above
7	Property re-entrusted after one year from the date of withdrawal or holding (entire task is required to be commenced afresh from valuation onwards)	Entitled for fresh charges as per the above schedule

- i. SEBI shall reimburse the charges for publication of sale notices in the newspapers at Directorate of Audio Visual Publicity (DAVP) rates;
- ii. in addition to the payment as above, the Agency shall be eligible for Rs. 4000/- towards e-auction portal charges per property to be put on auction plus applicable taxes and Rs. 7500/- towards valuation charges per valuation report plus applicable taxes would be payable; TDS as applicable shall be deducted on the payments made to the Agency;

iii. bills will be settled on quarterly basis and within a month from the date of receipt of bills unless any clarification is sought by SEBI.

FORMS

Form-I

Expression of Interest

From

(Registered name and address of the Agency.)

To

Recovery Officer,
Recovery Division 1,
Recovery and Refund Department,
Securities and Exchange Board of India,
SEBI Bhavan II, Plot No.C-7, "G" Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400051

Sir,

Having examined the empanelment notice, we the undersigned, offer to provide the services including all additional services associated thereto, as detailed in your Empanelment Notice () dated

We declare that we comply with all the terms and conditions specified in this Empanelment Notice and that our empanelment might be rejected in case of any deviation from the conditions of empanelment.

Dated this _____ day of _____.

Signature and Seal of Agency

(Signature with name, address and designation of a person duly authorized to sign on behalf of the Agency)

Witness: (Signature with name, address)

Form-II

Format for Profile

(To be attached with Expression of interest form)

1. TOTAL EXPERIENCE IN SIMILAR PROJECTS:

The details of all the similar projects executed in last three years shall be furnished as per the format below with copies of work orders / agreements.

Sl No.	Name of the Customer and the Project	Start Date	End Date	Value of the project in INR	Details of Contact Person for whom the project was undertaken (Name, Address, Email, and Contact No.)
1.					
2.					
Grand Total					

Note: Agency shall furnish details of each project executed in a separate table as above.

2. LIST OF CURRENT PROJECTS / ASSIGNMENTS

List of current projects / assignments in hand should also be furnished in a similar format. Give the details of the projects, together with the value and schedule.

3.METHODOLOGY AND WORK PLAN IN THE PROPOSED ASSIGNMENT

Agency shall give a description of the proposed activities in valuation and sale of assets.

4. CV'S OF EXPERTS TO BE DEPLOYED FOR THE PROJECT:

CV's of technical team to be engaged for this project should be furnished to provide details of similar projects handled in last 3 years in the following format:

Sl No.	Name	Qualification	Name of the project	Role and Experience in Years	Proposed role in the assignment
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Signature and Seal of Agency

(Signature with name, address and designation of a person duly authorized to sign on behalf of the Agency)

Witness: (Signature with Name and Address)

GENERAL INSTRUCTIONS FOR SUBMISSION OF APPLICATIONS

1. The Agency shall submit their expression of interest on or before due date, i.e., February 10, 2020.
2. The Agency may take printout of the application form as mentioned above.
3. The Agency needs to attach a copy of their certificate of qualification, employment and experience of minimum 3 years with the application form. Any other additional information to be provided by attaching enclosure/s to the form.
4. Application forms not submitted in the prescribed format will be summarily rejected.
5. The application form should be filled up in *CAPITAL LETTERS* and in *ENGLISH* only.
6. The Agency will ensure that all the entries have been correctly filled in.
7. Applications which are incomplete, mutilated, illegible, received after the prescribed date and from ineligible Agency will not be considered. *AGENCY SHOULD SATISFY THEMSELVES ABOUT THEIR ELIGIBILITY BEFORE APPLYING.*
8. Communication in respect of selection of Empaneled Agency mentioned in this advertisement will be sent only to successful Agency/Agencies.
9. Interested Agency should send their duly filled application form or scanned copies of application form, along with necessary certificates by email to recovery@sebi.gov.in or to the below mentioned address on or before the last date for submission of application.
10. SEBI reserves the right to accept application from eligible applicants post stipulated deadline as well.

GENERAL TERMS AND CONDITIONS

- SEBI reserves the right to amend/modify any terms and conditions of empanelment and withdraw the advertisement without any notice;
- SEBI shall have the right to terminate the services of the Agency, if the same are found to be unsatisfactory or adverse to the interest of SEBI or the investors;
- The performance of the agency will be judged on the basis of work done against the agreed work plan and the time lines.

Address for sending the application:

Recovery Officer

Recovery Division 1,

Recovery and Refund Department,

Securities and Exchange Board of India, SEBI Bhavan II,

Plot No.C-7, "G" Block, Bandra-Kurla Complex,

Bandra (East), Mumbai - 400051

For any query or information contact:

Name: Mr. Jai Sebastian/ Mr. Arun Bhandari/Mr. K Vijay Krishna

Address:

Recovery and Refund Department,

Securities and Exchange Board of India, SEBI Bhavan II,

Plot No.C-7, "G" Block, Bandra-Kurla Complex,

Bandra (East), Mumbai - 400051

Tel: 022 26449000 / 26449680/26449650