

REQUEST FOR PROPOSAL (RFP) DOCUMENTS FOR

PROPOSAL FOR INVESTMENT OF COMPANIES SURPLUS FUND IN FIXED DEPOSIT

E O I CONDITIONS FOR SUBMISSION OF COMMERCIAL BID

MYSORE SALES INTERNATIONAL LIMITED

MSIL HOUSE, 36 CUNNINGHAM ROAD

BANGALORE 560 052

Phone: 080 22264021 to 22264025 /22262029

MYSORE SALES INTERNATIONAL LIMITED

Regd Office: MSIL House, 36 Cunningham Road, Bangalore 560 052

Ref: MSIL/F&A/FD/2020-21/010

Date: 09.12.2020

SHORT TERM EXPRESSION OF INTEREST

(through electronic tender mode only)

M/s Mysore Sales International Limited,(a Govt of Karnataka Undertaking), invites proposals from nationalized banks (Public Sector banks, Regional Rural banks and Private scheduled commercial banks) to quote competitive rate of interest for investment of Companies surplus funds in Short Term Fixed Deposit.

The EOI shall be applied through electronic mode and the financial bid shall be opened on the due date. Further details can be obtained from the website www.eproc.karnataka.gov.in or in person from the undersigned.

a.	Last date for submission of EOI	18.12.2020
b.	Date of opening commercial bid	19.12.2020
c.	Contact person	MrSubramanya
d.	Designation	General Manager (F&A)
e.	Phone Number	080-22262029

Place of opening tender:

M/s Mysore Sales International Limited
MSIL House, 36 Cunningham Road
Bangalore 560 052

PROCEDURES FOR SUBMITTING THE BID

1.1 SUBMISSION, RECEIPT AND OPENING OF PROPOSALS

The original proposal (commercial proposal) shall be prepared and submitted in e-procurement portal (www.eproc.karnataka.gov.in). The bidder shall digitally sign and submit the proposal electronically through the unified e-procurement portal.

The completed Commercial bid shall be submitted through the e-procurement portal on or before the due date for submission of the bid specified in the e-procurement portal. The Centre for e-Governance shall not be responsible for technical glitches in the desktop and internet connectivity services used by the bidder.

1.2 Bid processing fee

Each bidder shall pay bid processing fee through any of the 4 e-payment options only.

- a. Credit Card
- b. Direct Debit
- c. Net banking
- d. National Electronics Fund Transfer (NEFT)

Please note that payments submitted through cheques or demand drafts shall not be accepted. Further details regarding e-payment, please refer to e-procurement website www.eproc.karnataka.gov.in

1.3 Earnest Money Deposit - NIL

2. Instructions for submitting bid

- 2.1 Upload scanned copies of all the documents as specified in Schedule 'A' along with non refundable tender processing fee
- 2.2 The rate of interest quoted in Commercial/Financial Bid/Schedule 'B' shall be in percentage per annum
- 2.3 Bidders are requested to note the eligibility criteria, Terms of reference before submitting the quote
- 2.4 Competitive rate of interest are invited under two cover system

- 2.5 Financial bids will be opened only if the bids are qualified/successful in the e-procurement portal i.e. who have submitted tender processing fee in the e-procurement portal.
- 2.6 Bidders may please note that for Technical qualification all the eligibility criteria and documentation required should be submitted to the satisfaction of the company.
- 2.7 The supporting documents wherever required, evidencing the criteria prescribed for evaluation of commercial bid shall have to be uploaded. Any ambiguity in any of the information furnished will entail non consideration of such information for the purpose of evaluation of commercial bid.
- 2.8 The documents are to be uploaded properly and on no account any deviation from the respective dates and timings are allowed
- 2.9 The completed Commercial Bid shall be uploaded on or before the scheduled time and date stated in this bid document along with prescribed tender processing fee.
- 2.10 MSIL shall not be responsible for technical problems encountered while submitting bids and payment of tender processing fee . Bidders are requested to submit their bids well in time considering the processing time involved and the time involved in remittance of fees through on-line payment system.
- 2.11 Mere issue/downloading of Bid document shall not qualify any bidding bank for appointment. The bidding bank which does not comply with the eligibility criteria mentioned in the tender notification /bid document will be rejected.
- 2.12 The Company reserves the right to accept/reject all or any of the bids without assigning any reasons
- 2.13 The Company reserves the right to include/exclude any terms annexed as mutually agreed
- 2.14 Selected bankers shall submit Declaration in their Official Letter duly certified/signed by the competent authority as per the format given in Annexure 1
- 2.15 Bids shall be valid for 5 days from the date of closure of bid
- 2.16 The selected bidder shall accept the mandate immediately. In case of non-acceptance, the deposit will be offered to second highest interest rate quoted bidder/banker.

ELIGIBILITY AND QUALIFICATION CRITERIA

3. FINANCIAL PARAMETERS FOR SELECTION OF BANK FOR INVESTMENT:

Only the banks fulfilling the following financial parameters shall be selected for the investment in fixed deposits.

- a. Net worth i.e. paid up capital plus free reserves of the bank as at the end of the immediate preceding financial year shall be at least

Rs. 1000 crore in respect of Public Sector Banks

Rs. 500 crore in respect of Regional Rural banks

Rs. 2000 crore in respect of Private Scheduled Commercial banks

Documents to be submitted: Upload self certified copy of the balance sheet and relevant schedule Audited for the FY 2019-20 and self certified copy of the calculation of net worth in support of this criteria

- b. Capital adequacy ratio

- i. The capital adequacy ratio (CAR) is also known as Capital to Risk Assets Ratio (CRAR) which is the ratio of the banks capital to its risk. It is a measure of the banks available capital expressed as a percentage of a banks risk weighted credit exposures. This will ensure the protection of investors.

- ii. Capital adequacy ratio of the investee bank shall not be less than 10%

Document to be submitted: Upload self certified copy of the balance sheet and relevant schedule (audited) for the FY 2019-20 and a self certified copy of the calculation of CAR in support of the Capital Adequacy Ratio.

4. PROFITABILITY TRACK RECORD

- a. Public Sector Banks shall have profitability track record of atleast two years out of 3 immediate preceding years
- b. Private scheduled commercial banks and Regional Rural Banks shall have profitability track record during the preceding 3 consecutive years.

Documents to be submitted: Upload self certified copy of Profit & Loss accounts for the FY 2017-18, 2018-19 and 2019-20

5. NET NPA (Non Performing Assets)

Net NPA shall not be less than the limit fixed by Department of Public Enterprise, Govt of Karnataka every year from time to time. These limits are to be verified before investment of surplus funds as they may be changed by DPE from time to time.

Document to be submitted:- Upload self certified copy of the Balance sheet and relevant schedule/Note (Audited) for FY 2019-20

6. PREFERENCE AMONG EQUALS

All the criteria being equal, preference shall be given to the bank which is the serving bank of the investor entity or which is participating in the developmental programmes of the Government of Karnataka.

7. TOTAL OUTSTANDING INVESTMENT

The total outstanding investment in any particular bank (including all branches of the bank) shall not exceed

- i. Rs. 500 crore in a year or 5% of the Net worth whichever is lower in respect of Public Sector Banks
- ii. Rs. 50 crore in a year or 5% of the net worth whichever is lower in respect of Regional Rural Banks
- iii. Rs.300 crore in a year or 5% of the net worth whichever is lower in respect of Private Scheduled Commercial bank

8. UPLOAD THE PROFILE OF THE DESIGNATED BRANCH AS PER THE FORMAT GIVEN BELOW:-

Sl.No	Particulars	Details
1.	Name of the bank	
2.	Name of the branch	
3.	Address of the branch	
4.	MICR No	
5.	IFSC Code	
6.	Acct No. to which funds to be transferred	
7.	Name & designation of contact person	
8.	Contact No Landline/Mobile	
9.	Fax No.	
10.	Official email ID	
11.	Type/Nature of the bank i.e. Public sector/RRB/Private sector	
12.	If participated in the borrowing programme of MSIL kindly provide details	

METHOD OF EVALUATION

9. 1

Sl.No	Criteria	Supporting Documents
1.	Networth	Upload self certified copy of the balance sheet and relevant schedule (audited) for FY 2019-20 and a self certified copy of the net worth calculation in support the net worth
2.	Capital Adequacy ratio	Upload self certified copy of the Balance sheet and relevant schedule (Audited) for FY 2019-20 And a self certified copy of CAR calculation in support of the Capital Adequacy Ratio
3.	Profitability Tract Record	Upload self certified copy of the Profit and Loss account for FY 2018-19 & 2019-20
4.	Net NPA	Upload self certified copy of the Balance sheet and relevant schedule / Note (Audited) for the FY in support of Net NPA
5.	Profile of the bank as per format given	Upload duly signed profile of the bank as per the format given in the letter head of the bank
6.	Declaration as per the format given in Annex I	Scanned copy of the declaration as per the format given in Annex 1 in the letter head of the Bidder and Documentary proof for having participated in the borrowing programme of MSIL in case of private sector banks

9.2 For qualification of the bid, the bidder should submit all the documents mentioned in Schedule A to the satisfaction of MSIL

9.3 The tender scrutiny committee appointed by MSIL evaluates the bid on the basis of their responsiveness to the Terms of reference, applying the evaluation criteria. A bid shall be rejected at a stage if:-

- a. Documents are not submitted to the satisfaction of the Company
- b. Important aspect of the terms of reference are not fulfilled
- c. Conditional bids are submitted

9.4 After evaluation of commercial bid based on the evaluation criteria the results of the commercial evaluation will be uploaded and technically accepted/rejected in E-procurement portal. The decision of MSIL will be final and binding on all the bidders.

9.5 The e-procurement portal will display the financial bids of only those bidders who are qualified based on the eligibility criteria prescribed in the bid document and programmed in the e-procurement portal

9.6 Financial bids shall be opened read aloud and recorded in front of the bidders present at the time of opening the financial bid

- 9.7 The bids shall be ranked according to the competitive rate of interest quoted by the technically qualified banks separately for Public Sector /Regional Rural Banks and for Private sector Scheduled Commercial banks
- 9.8 The firm quoting the highest rate of interest will be invited for negotiation if necessary
- 9.9 If MSIL feels that placing fixed deposit in short listed banks is not safe based on the market reports, MSIL may reject the bid without assigning any reasons thereof.
- 9.10 The decision of MSIL is final in the matter

TERMS OF REFERENCE FOR PLACING SURPLUS FUNDS IN SHORT TERM

FIXED DEPOSITS IN BANKS

General terms and conditions governing the investment of surplus funds as per the Government of Karnataka guidelines:-

- 10.1 The total outstanding investment in any particular bank (including all the branches of the bank) shall not exceed
 - Rs. 500.00 crore in a year or 5% of the net worth whichever is lower in respect of Public Sector Banks
 - Rs 50.00 crore in a year or 5% of the net worth whichever is lower in respect of Regional Rural Banks
 - Rs.300.00 crore in a year or 5% of the net worth whichever is lower in respect of the Private Scheduled Commercial banks
- 10.2 Only banks incorporated in India are considered. Foreign banks are not considered
- 10.3 While investing in Fixed Deposits the benefit of Bulk deposit rate shall be considered
- 10.4 Normally in any particular day investment in Fixed Deposit shall not be made in more than 3 banks as long as the exposure limit is not exhausted
- 10.5 The amount of investment at any point of time shall be made in single branch of the selected bank unless it is beneficial to the Company to spread the investment in more than one branch
- 10.6 All criteria being equal, preference shall be given to the bank which is the serving bank of the Company or which is participating in the development /borrowing programme of MSIL
- 10.7 The ratio of investment in Fixed Deposits shall satisfy the following criteria.
 - a. Not less than 70% of the availability of surplus fund that is available at the time of investment in Public Sector Banks including Regional Rural Banks
 - b. Not less than 30% of the availability of surplus funds that is available at the time of investment in Private Sector schedule commercial banks provided the yield is competitive when compared with that if Public Sector Banks including Regional Rural Banks and have participated in the borrowing programme of MSIL
 - c. If the competitive rates are not forthcoming from the Private Sector banks for the amount earmarked for investment in such cases the Company may take a decision to invest this amount also in Public Sector banks

Other terms and conditions

- 10.8 This is the direct investment by MSIL. Bank should not involve any broker/intermediary/middle men while accepting investment
- 10.9 All benefits that shall accrue shall be passed on to MSIL
- 10.10 FD receipts duly certified by the bank shall be immediately issued after realization of the money
- 10.11 In case the maturity date falls on any General Holiday/Public Holiday interest at the contracted rate shall be paid till the next working day
- 10.12 Rate of interest quoted shall be firm/valid for 5 days from the date of closure of the bid. In case of any upward revision in the deposit rate same should be passed on to MSIL
- 10.13 Since the surplus funds indicated are based on estimates based on the prevailing condition the FDs may be fore closed with a notice of 2 working days. In such cases the interest should be paid without any penalty.
- 10.14 FDS should be issued in denominations having highest interest rates

TECHNICAL BID – SCHEDULE A

FINANCIAL PARAMETERS FOR SELECTION OF BANK FOR INVESTMENT:

Only the banks fulfilling the following financial parameters shall be selected for the investment in fixed deposits.

- i. Net worth i.e. paid up capital plus free reserves of the bank as at the end of the immediate preceding financial year shall be at least –

Rs. 1000 crore in respect of Public Sector Banks
Rs. 500 crore in respect of Regional Rural banks
Rs. 2000 crore in respect of Private Scheduled Commercial banks

- ii. Capital adequacy ratio

- a. The capital adequacy ratio (CAR) is also known as Capital to Risk Assets Ratio (CRAR) which is the ratio of the banks capital to its risk. It is a measure of the banks available capital expressed as a percentage of a banks risk weighted credit exposures. This will ensure the protection of investors.

- b. Capital adequacy ratio of the investee bank shall not be less than 10%

- iii. **PROFITABILITY TRACK RECORD**

- a. Public Sector Banks shall have profitability track record of atleast two years out of 3 immediate preceding years

- b. Private scheduled commercial banks and Regional Rural Banks shall have profitability track record during the preceding 3 consecutive years.

iv NET NPA (Non Performing Assets)

Net NPA shall not be less than the limit fixed by Department of Public Enterprise, Govt of Karnataka every year from time to time. These limits are to be verified before investment of surplus funds as they may be changed by DPE from time to time.

Documents to be submitted: Upload self certified copy of the balance sheet and relevant schedule / Note (audited) for FY 2019-20 in support of Net NPA

- v. Upload Declaration as per the format given in Annexure 1 and documentary proof for having participated in the borrowing programme of MSIL in case of Private Sector Banks

vi Upload profile of the designated branch as per the format given below:

Sl.No	Particulars	Details
1.	Name of the bank	
2.	Name of the branch	
3.	Address of the branch	
4.	MICR No	
5.	IFDC Code	
6.	Acct No. to which funds to be transferred	
7.	Name & designation of contact person	
8.	Contact No Landline/Mobile	
9.	Fax No.	
10.	Official email ID	
11.	Type/Nature of the bank i.e. Public sector/RRB/Private sector	
12.	If participated in the borrowing programme of MSIL kindly provide details	

COMMERCIAL /FINANCIAL BID - SCHEDULE B

Rate of interest per annum in percentage for the following tenor and quantum to be valid from the date of closure of the bid till the date of opening of bid which is approximately 7 working days from the date of closure of bid. Please quote rate of interest online only.

Tenor	91-120 days	121-180 days	181-240 days	241-364 days	365 days
Quantum INR					
25L to 50L					
50L to 1 crore					
1-5 crore (1 cr each)					
5 crore & above (1 cr each)					

ANNEXURE 1

The following declaration has to be uploaded by the bidding bank along with Schedule A that is Technical bid in the letter head of the bidding bank

Name of the Assignment: Request to quote competitive interest rates for placing
Temporary surplus funds in short term fixed deposits

DECLARATION

1. (Name of the Bank) is incorporated in India and is an Indian Bank
2. (Name of the bank) hereby declare that we have made ourselves thoroughly conversant with banking conditions, RBI guidelines if any, before submission of bid
3. Our bid is in total conformity with the stipulations mentioned in the bid document and we do not have any additional technical or commercial conditions
4. We accept all terms and conditions mentioned in bid document and terms of reference
5. The details/documents produced in the technical bid are true and complete and are as per the original records
6. We shall produce original documents for verification/records before placing of short term fixed deposit
7. We understand that this is the direct investment by MSIL. We have not appointed any agent/broker/intermediary/middlemen while accepting these FD and no brokerage/commission/fee/charges /any other direct/indirect benefit have been passed on to any one while accepting these deposits

For (NAME OF THE BIDDING BANK)

Name & designation of the authorized signatory with seal