IFCI Venture Capital Funds Ltd.
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RFP No. IFCI Venture/PE-VC Funds/2018-19/02 **Dated: October 01, 2018**

RESPONSE TO QUERY

Request for Proposal
For

APPOINTMENT OF CONSULTANT FOR REVIEW OF VALUATION OF PRIVATE EQUITY/ VENTURE CAPITAL FUNDS REGISTERED UNDER SEBI (VENTURE CAPITAL FUNDS) REGULATIONS 1996

IFCI Venture Capital Funds Limited

Date of Issue: September 17, 2018

Last Date of Submission: October 08, 2018 up to 1400 hours (IST)

Sl. No.	Queries/ Points raised	Response from IFCI Venture
1	It is mentioned that the consultant has to undertake valuation of the funds registered. Request IFCI to please confirm if the scope is limited to enterprise valuation based on cash flows or if it may also involve asset valuation.	Strategies for valuation shall be based on case to case basis and physical asset valuation will not be required.
2	It is mentioned that a total of 14 companies / deals are existing. Please confirm if all the 14 companies will be awarded to single bidder	Shall be awarded to single bidder.
3	Request IFCI to please confirm if all the data w.r.t the operations of the companies will be provided to the qualified bidder. This includes, but not limited to balance sheets of past 3 years, organization business plan, statutory clearances, capital structure, debt and equity details etc.	Information on case to case basis will be provided on best efforts basis.
4	It is mentioned that counter valuation may be required in certain cases. Can you please advice on when such valuation may be needed? Are you referring to cases where the difference in valuation is more than 15%?	We have not defined the ranges and shall be subject to case to case basis, however it may be mentioned that there may be very few cases where such counter valuations is required.
5	There is a requirement of undertaking projects worth Rs. 2 Crores specifically from the valuation activities / charges. Several advisory companies have valuation services as one of their many services, hence may not have worked on projects worth Rs. 2 crores. Also, several advisory companies do not work on a success fee model. Generating Rs. 2 crore only from fixed fee appears a stringent criteria for such companies who otherwise would have worked on a wide variety of valuation assignments.	RFP issued contains requisite provisions towards the queries raised and cannot be modified.

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	We request that this criteria be relaxed. Instead, IFCI can have a criteria of undertaking 3-4 valuation related work in the last 3 years.	
6	For showcasing experience, there is a need for a certificate from Statutory Auditor. As such getting a certificate from an auditor is very difficult as well as time consuming and costly. Request IFCI to let us know if this can be taken from a CA instead.	As requested by the participants in the pre-bid meeting, the requisite certificate may be provided by the independent Chartered Accountant.
7	We observe that there is an additional requirement of presenting a CA certificate for the fulfillment of the provided revenue thresholds for business advisory and valuation verticals. In order to fulfill the same, please find attached CA certificate containing the turnover figures for the last three years (FY17, FY16 and FY15), which in turn is majorly revenue from valuation advisory services as mentioned in our financial statements. Request you to confirm if the attached certificate fulfills the eligibility criteria.	
8	Request you to provide the status of each company such as whether specific company is operational or not. Whether it is making EBITDA level profit, if operational. Whether these are under NCLT proceedings etc. All this info will help to understand the exact scope and efforts with the expected valuation methodologies.	There are 2 cases where the NCLT proceedings are going on, 7 cases where the companies are operational and 5 cases where that companies are not operational and in some of the above cases the legal actions are also ongoing.
9	Page No. 7 of 24, Chapter 4, Eligibility Criteria – Clause No. 4.3 (Sl. No. 4) - In any of the last 3 (three) preceding financial years (audited), the Income / Revenue of the bidder (on standalone basis) from the advisory / valuation / fee based / professional fees or charges should be at least Rs. 5 Crores and out of which Rs. 2 Crores should be specifically from the valuation activities / charges. In fulfilment of the above criteria a separate CA certificate from the Statutory Auditor of the bidder need to be submitted. Requesting you to kindly make the Revenue from Valuation Activities any amount close to the estimated fees allocated to the tender under consideration instead of Rs. 2 Crore. Awaiting your response.	RFP issued contains requisite provisions towards the queries raised and cannot be modified.

In view of the above, it may noted that the proposed bidder is to abide by all the terms and conditions in the RFP issued by IFCI Venture and it may also be interpreted that the bidder to submit the bid only if eligible as per applicable laws, rules and regulations otherwise IFCI Venture reserves the right to reject the bid.

All other terms and conditions of the RFP issued on September 17, 2018 will remain unchanged.

Place: New Delhi
Date: 09/07/2018

Bhawna

Deputy General Manager

IFCI VENTURE CAPITAL FUNDS LTD. NEW DELHI

Poonam

General Manager

IFCI VENTURE CAPITAL FUNDS LTD. NEW DELHI