

## **RFP FOR ASSET VALUER TO BE APPOINTED ON OPEN TENDER BASIS**

**No. 4(2)/2016-D(BEML)**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF DEFENCE**  
**DEPARTMENT OF DEFENCE PRODUCTION**

### **Engagement of an Asset Valuer for Disinvestment in BEML LTD , a public sector company of Department of Defence Production, Ministry of Defence- Request for Proposal**

#### **1.0 INTRODUCTION**

##### **1.1 Administrative Ministry, year of incorporation of the company and background:**

BEML Ltd is a Miniratna (Category-1) public sector undertaking under the administrative control of Department of Defence Production, Ministry of Defence, Government of India. BEML Ltd. was incorporated on 11<sup>th</sup> May, 1964 by hiving off Rail Coach Division of Hindustan Aeronautics Limited which is based at Bangalore. Subsequently, the Company started its business from 01.01.1965 with Government of India holding of 100%. During 1967, Earth Moving Division was established at KGF for manufacturing of Heavy Earth Moving equipment. Further, during 1985, Truck Division at Mysore was established for manufacturing of High end Dump Trucks. Subsequently, in the year 1991, Engine Division at Mysore was established for manufacturing of engines for Earth Moving equipment and Diesel engines. During 2010, Company has established its 4th Manufacturing complex at Palakkad, Kerala for manufacturing of Defence Products and Rail Parts.

##### **1.2 Activities of the Company:**

The Company operates under 3 major Business verticals - viz. Mining & Construction, Defence and Rail & Metro. In addition to the above, Company also provides technology solutions in Auto, Aero, Defence and Rail & Metro related areas.

(a) Mining & Construction Business

The Company manufactures a wide range of equipment such as Bulldozers, Excavators, Dump Trucks, Loaders, Motor Graders, Pipe Layers, etc., to meet the requirements of coal, cement, steel, power, irrigation, agriculture and construction sectors in India and to overseas markets.

(b) Defence Business

As a PSU, under the Ministry of Defence, BEML Ltd. manufactures and supplies a whole gamut of ground support equipment such as High Mobility Trucks of various combination like 12X12, 10X10, 8x8, 6x6, 4x4 etc, Tank Transportation Trailers, Heavy Recovery Vehicles (HRV), Armoured Recovery Vehicles (ARV), Mechanical and Pontoon Bridge Systems for quick deployment in forward areas, Mine Ploughs, Military Rail Coaches and Military wagons to Indian Army, Crash Fire Tender, Aircraft Weapon Loading Trolley, Aircraft Towing Tractor etc., supplied to Air Force. The Company also supports India's missile programme by supplying a whole range of transport equipment such as Missile Carrier, Missile Launcher, Warhead Carrier etc and also Mast System for carrying Surveillance Radars. BEML also supplies construction equipment such as Bulldozers, Loaders, Excavators, Motor Graders, etc., to the Army, Border Roads and other Paramilitary Forces.

(c) Rail & Metro Business

BEML Ltd. is a regular supplier of Rail coaches to Indian Railways since inception. In addition to Rail coaches, Metro Cars, Electrical Multiple Units (EMUs), Maintenance Vehicles (OHEs) and Wagons are also supplied to Indian Railways. The stainless steel Metro Cars are supplied to Delhi Metro Rail Corporation, Bangalore Metro Rail Corporation Ltd and Jaipur Metro Rail Corporation.

Production Units:

The Company has four manufacturing complexes located at Bengaluru, Kolar Gold Fields (KGF), Mysuru and Palakkad.

(i) Bengaluru Complex:

The Bengaluru Complex manufactures various types of Railway products such as Rail coaches, AC Electrical Multiple Units (ACEMU), Diesel Electric Multiple Unit (DEMU), Main Line Electric Multiple Unit (MEMU), Stainless Steel Electrical Multiple Units (SSEMU), Overhead Equipment Inspection Car (OHE Car) etc., for Indian Railways. The Company also manufactures state-of-the-art Stainless Steel Metro Cars and supplied to Delhi, Bangalore and Jaipur Metro Rail Corporations. The Complex also manufactures Defence products such as Milrail Coaches, Ejector & Air Cleaner assemblies and Military Wagons.

(ii) KGF Complex:

KGF Complex encompasses Earth Moving Division, Hydraulics and Powerline Division, Rail Unit-II and Heavy Fabrication Unit. Earth Movers Division produces a wide range of equipment such as Bulldozers, Hydraulic Excavators, Wheel Loaders, Dozers, Pipe Layers, Tyre Handlers, Hydraulic Cranes, Walking Dragline, Electric Rope Shovels, Engineering Mine Ploughs, Trawl for T-72 Hull and Armoured Recovery Vehicles. Hydraulic & Powerline Division produces Transmissions, Axles, Hydraulic aggregates and allied assemblies required for all the manufacturing units of BEML. Rail Unit–II manufactures Rail Coaches and structural items for Railway products.

(iii) Mysuru Complex:

Mysuru Complex encompasses Truck Division, Engine Division and Aerospace Manufacturing Division. The Truck Division manufactures off-highway Rear Dump Trucks, Motor Graders and Water Sprinklers. The Engine Division manufactures a wide range of Diesel Engines powering BEML's product range. The Aerospace Manufacturing Division produces Ground Handling Equipment, Weapon Loaders and Aggregates for Missiles. The Dredging Equipment Manufacturing Division caters to the requirements of Dredging equipment.

(iv) Palakkad Complex:

The Palakkad Complex manufactures products for Defence and Rail Business such as Heavy Duty High Mobility Vehicles, Bridge Systems, other ground support vehicles for guided missile projects, vehicles for radar mounting, Field Artillery Tractor etc. and aggregates of Rail Coaches and Metro Cars.

All manufacturing units are fully equipped with facilities for large capacity machining, fabrication, heat treatment, assembly, testing, painting etc. Modern facilities such as CNC machines, Flexible Manufacturing System, Robot-welding system, test tracks/grounds for equipment etc have been established. Company-wide ERP / SCM systems and Six Sigma quality systems have also been adopted. Bengaluru Complex has been modernized with State-of-the-art facilities for manufacturing international quality Metro Coaches. The employees have also been imparted special training at the collaborator's works abroad to attain high quality levels required for the job. All manufacturing divisions are certified with **ISO9001-2008** Quality Management System (QMS) certification. The KGF, Bengaluru and Mysuru Complexes are certified for **ISO14001-2004** Environmental Management System (EMS). Bengaluru Complex is certified for **BS OHSAS 18001-2007** Integrated Management system. Engine Division, Mysore complex is certified for **AS9100B** Aerospace certification. Laboratories at R&D, KGF and Engine division, Mysuru continue to hold NABL accreditations.

M/s. VIL, Tarikere a wholly owned subsidiary of BEML has successfully implemented and obtained **ISO9001-2008 QMS** Certification. It is also a class – A foundry in compliance with IS 12117 and certified by **RDSO**

### **1.3 Location of Headquarters and various units of the Company:**

BEML Ltd. has its Corporate HQ and Central Marketing Division at Bengaluru and 4 manufacturing complexes located in Bengaluru, Mysuru, Kolar Gold Fields and Palakkad. Company has three subsidiary companies, namely Vignyan Industries Ltd. (VIL), BEML Brazil Industrial Ltd. & MAMC Industries Ltd. and one joint venture namely BEML Midwest Ltd. with 45% equity share. The Company has 12 Regional Offices, 20 District Offices, 5 Service Centres spread across the length and breadth of the country along with 2 overseas offices in Brazil and Indonesia. Recognizing the importance of meeting and exceeding customer

satisfaction, the Company has established its Global Service Centre at Nagpur thereby enabling the Service Delivery within shorter time for faster reach to customer.

#### 1.4 Shareholding structure:

Shareholding Structure as on 16.12.2016:

<b>BEML Ltd.</b>			
<b>Shareholding Pattern As on 16-12-2016</b>			
<b>Category</b>	<b>No. of Holders</b>	<b>Total Shares</b>	<b>% To Equity</b>
GOVERNMENT OF INDIA	1	22,500,000	54.028743
MUTUAL FUNDS	58	7,761,803	18.638243
RESIDENT INDIVIDUALS	58,088	4,240,874	10.183515
INDIAN FINANCIAL INSTITUTIONS	8	2,165,855	5.200819
BODIES CORPORATES	877	2,150,984	5.165109
FOREIGN PORTFOLIO INVESTORS	57	2,008,890	4.823902
NON RESIDENT INDIANS	882	285,873	0.686460
FOREIGN INSTITUTIONAL INVESTORS	16	179,560	0.431173
H U F	1,594	137,651	0.330538
NON RESIDENT INDIAN NON REPATRIABLE	290	82,371	0.197796
CLEARING MEMBERS	229	73,747	0.177087
BANKS	7	52,559	0.126209
TRUSTS	8	3,905	0.009377
NBFC	3	428	0.001028
Total	<b>62,118</b>	<b>41,644,500</b>	<b>100.00</b>

#### 1.5 Number of employees:

As of end November 2016, total no. of employees is 8348 out of which 2251 are Officers and 6097 are employees.

### 1.6 **Whether listed or unlisted:**

BEML Ltd. is a listed Company and its equity shares are traded on BSE and NSE. Government of India holds 54.03% of the total paid up capital of the Company.

1.7 For more details on the Company, please log on to official website of the Company at [www.bemlindia.com](http://www.bemlindia.com)

## 2.0 **PROPOSAL**

2.1 The Government of India is considering strategic disinvestment of **26 %** paid-up equity capital of the BEML Ltd. through strategic sale with transfer of management control. For this purpose, Ministry of Defence (Department of Defence Production), on behalf of Government of India, requires the services of reputed Asset Valuer to carry out the valuation.

2.2 The eligible bidder, as per eligibility conditions prescribed in 'Eligibility Criteria' may submit proposal as per the guidelines mentioned here-under, for selection as 'Asset Valuer'.

## 3.0 **TERMS OF REFERENCE (SCOPE OF WORK)**

3.1 The broad scope of work for the Asset Valuer is to carry out valuation of assets including Land & Buildings, Furniture & Fixtures, Civil Infrastructure like roads, drains, compound wall, etc. and Plant & Machinery including electrical, stock inventory of spares in stores, and intangibles etc. on "***as is where is basis***". The valuation is to be done keeping in view the objective of disinvestment and would be changed if there is a change in the objective.

In estimating the market value for the above assets, the Valuer shall:

- a. Clearly identify and describe the property being valued factoring into the inventory provided by the Company.
- b. Due Diligence and Review of the location, site plans, Plant & Machinery and due diligence on approvals from various regulatory authorities as applicable, lay outs etc., review of physical encumbrances, if any.

- c. Collect information and conduct due diligence of matters like market information, quotations and offers of similar assets sold or available in close proximity to the subject property.
- d. Value of the property by anyone or a combination of the following methods:
  - (i) Comparison Method;
  - (ii) Income Capitalisation;
  - (iii) Discounted Cash Flow;
  - (iv) Cost Approach method;
  - (v) Replacement valuation; or
  - (vi) Any other generally accepted valuation methods.
- e. Suitably provide the justification / logic / assumption for selecting the appropriate method for valuation.
- f. State any assumptions or limiting conditions with sufficient supporting empirical data that may affect the analysis, opinions and conclusions indicating implications on final valuation quantitatively and qualitatively.
- g. Provide sufficient information to permit those who read and rely on the report to fully understand the data, reasoning, analyses and conclusions underlying Asset Valuer`s findings, opinions and conclusions.
- h. Completely and understandably set forth the valuation report in a manner, which will be comprehensive, accurate, and not in any manner misleading.
- i. The Valuer will be responsible for generating a draft report (without giving specific figures of valuation) within a period of 2 (two) months from date of appointment and making detailed presentations on the subject matter as may be required by the Government. Post presentation, the Valuer, shall, if required, incorporate the suggestions as may be requested by the Government or provide for any other additional clarification that may be required. The final deliverable shall be a Final Valuation Report to be delivered as and when asked for by the Government.
- j. The valuer may be required to update the valuation report if asked for by the Government.

3.2 In addition to above scope of work, the Valuation Report should, *inter alia*, provide the following:

- (i) Inception Report
- (ii) Approach & Methodology followed.
- (iii) Valuer' assessment on the aspects mentioned above and other considerations taken in valuation of assets and how these have been considered in arriving at the values.
- (iv) Value of the fixed assets covering land, building, plant and machinery and other fixed assets, indicating the following:
  - Land- Land and title details, values arrived at with reference to various sources/methods, market value, circle rate; final recommended value etc.
  - Building- Specifications, condition computation of fair value (Such as details) regarding current costs, depreciation for past usage, additional cost required for repair & renovations, etc.)
  - Plant and machinery- Specification, condition, computation of value (Such as details regarding current costs, depreciation for past usage, additional cost required for repair & renovations, scrap value factoring into the obsolescence in technology etc.)
  - Other Fixed Assets- Specifications, condition, depreciation for past usage and additional cost required for repair and renovation, values arrived at with respect to various sources/methods.

(v) Any other matter which the Valuer in his own judgment feels is worth indicating Replacement Value and Realizable Value for the assets must be shown separately. If in the opinion of the valuer certain Assets are likely to realize only scrap value, the same should be clearly indicated with suitable justifications for the same.

3.3 Valuation report should indicate valuation of assets separately in respect of various units / segments of the company and also on consolidated basis.

3.4 The valuer shall be required to provide post disinvestment support / services relating to valuation issues.

3.5 The Terms of Reference (ToR) mentioned above are indicative and non-exhaustive in nature. There might be some services relevant but not expressly captured in the aforesaid ToR, which upon being brought to the notice of the Asset Valuer by the Government will also form an integral and mandatory part of the ToR.

3.6 The valuer shall be required to interact with Transaction Advisor and Legal Advisor for providing appropriate inputs as and when required.

3.7 If the final valuation report as submitted by the valuer is found **not** to be in conformity with ToR as mentioned above, then the Government reserves the right to reject the report in toto.

#### **4.0 ELIGIBILITY CRITERIA:**

4.1 The Bidder should meet the following eligibility criteria for technical evaluation and thereafter for opening of their financial bids.

- (i) The interested parties should be a Valuer registered with Income Tax Department / RBI / CPWD / Public Sector Banks / Institution of Valuers etc. and in case a Partnership firm or a Limited Liability Partners or a company, the Partner or Designated Partner or a Director / Managing Director / Whole-time Director of such entity, respectively, should be a Valuer registered with the above mentioned Authorities; and having experience of at least **5 years** for providing similar Asset valuation services.
- (ii) The interested party should have completed at least **1 (one)** valuation of assets of similar nature of assets of **Rs.1000** crore or more during the last **3 (three)** financial years.

- (iii) The interested party should have minimum average annual turnover of R.s. **5 (five) crore** during last three financial years.

4.2 Consortium bids will not be allowed.

## 5.0 PROPOSAL FORMAT & TECHNICAL EVALUATION CRITERIA

5.1 The short listing of the Asset Valuer shall be based on the following technical evaluation.

Category	Particulars	Weightage
A	<p><b><u>Experience and capability</u></b></p> <p>(i) Profile of the organization</p> <p>(ii) Capability, capacity, experience and expertise in handling similar assignments</p> <p>(iii) Details of domestic/ international assignments handled</p> <p>(iv) Demonstrate ability to work with the Company and in coordination with the Advisor and other intermediaries as part of a team</p>	<b>40</b>
B	<p><b><u>Infrastructure and Manpower</u></b></p> <p>(i) Details of infrastructural facilities like office, manpower, etc.</p> <p>(ii) Detailed profile of the core and support teams (with CV's of each team member detailing qualification and relevant experience) that will be deployed on the assignment in the event of selection</p>	<b>30</b>
C	<p><b><u>Strategy for Valuation</u></b></p> <p>Indicate strategy for valuation and demonstrate ability to deliver in a tight timetable, committing personnel and indicate the timeline.</p>	<b>30</b>
<b>Total</b>		<b>100</b>

5.2 The threshold weightage for short listing the Bidders for technical evaluation will be **70%** and only the technically qualified shortlisted Bidders shall be considered for evaluation of financial bid.

## **6.0 PRE-BID MEETING:**

A pre-bid meeting shall be held. Date, time and venue shall be posted on website of Department of Defence Production, Ministry of Defence. ([www.ddpmod.gov.in](http://www.ddpmod.gov.in)). Prospective bidders may send their queries in advance to **Shri Shri M.S. Shamsi, Under Secretary (BEML), Department of Defence Production, New Delhi 110011 Ph. 011-23014919**

## **7.0 BID SUBMISSION:**

7.1 Proposals are to be submitted **in two covers** as per the following directions:

### **(i) Cover 1 (Sealed): Technical bid**

- (a) Demand Draft of Rs. 50,000 (rupees fifty thousand only) in favour of '**ACCOUNTS OFFICER (DAD), MOD (CIVIL)**' as non-refundable fee.
- (b) Covering letter on Letter Head of Company / Firm for Bid submission by the Bidder
- (c) Authority letter authorizing the person of the bidder to sign the proposal and other documents;
- (d) Technical Bid along-with all schedules, certificates & Annexure, duly filled & signed, by authorized signatory of Bidder as per Format at **Annexure-I**.
- (e) Confidentiality Undertaking in the Format at **Annexure-II**
- (f) Certificate on unconditional bid in the format at **Annexure-III**. Please note that bids with conditionality shall be summarily rejected.
- (g) Affidavit regarding no conviction, no conflict as per **Annexure-IV**.

(h) Certificate that in case of selection and appointment, a Performance Bank **Guarantee amounting to 10% of the fee quoted** would be given in the form of bank guarantee, valid till the completion of the assignment and acceptance of the report.

(ii) **Cover 2 (sealed): Financial bid**

Bidder should furnish financial bid in the format as per **Annexure-V**.

Both cover 1 and cover 2 should be put inside another sealed cover.

7.2 The proposal as above can be submitted latest by **1500 hrs on 03.03.2017 to Shri M.S. Shamsi, Under Secretary (BEML), Department of Defence Production, Ministry of Defence, Room no 131-C, South Block, New Delhi - 110011** in hard copies in original, duly signed by authorized person. No proposal shall be entertained after appointed time and date. The Government will not be responsible for any postal / courier delay.

7.3 The Technical bid shall be opened at 15.30 hrs on 03.03.2017 in presence of bidder / representative if they choose to be present.

7.4 Financial Bid, to be opened only after the presentations of only those parties who qualify in the technical evaluation. Please note that bids with any conditionality shall be summarily rejected.

**Note:**

- a) The Government reserves the sole right to accept or reject any or all proposals thus received without assigning any reason thereof.
- b) The Government will not be responsible for any delay on account of late submission of Bid. Late receipt of Bid will not be considered.
- c) Consortium bids will not be allowed.
- d) Sub-contracting of the assignment will not be allowed. The appointed Asset Valuer shall be solely responsible for all the required final deliverables.

## 8.0 PROCEDURE FOR SELECTION OF ASSET VALUER :

- a. Bidder meeting eligibility criteria would be required to make a presentation of their credentials & understanding in accordance with the paragraph 5 above.
- b. The Selection Committee would evaluate the Bidders on the criteria mentioned in paragraph 5 above based on their presentation and Proposals received and shortlist them for the purpose of opening of their Financial Bids. Only bidder scoring minimum of pre-determined marks will be considered technically short-listed.
- c. After the short-listing of Bidders based on their presentations, the Financial Bids of shortlisted bidders will only be opened. The technically qualified bidder quoting the lowest fee shall be ranked L1, the second lowest bidder as L2 and so on in that order.
- d. In case of a tie, the bidder scoring higher marks in technical evaluation will be treated as L1.
- e. The L1 bidder will be considered for award of the assignment. The financial bids of only technically qualified bidders will be opened immediately after the presentations.
- f. The party selected for award of the assignment will be required to give **Performance Bank Guarantee amounting to 10% of the fee quoted by way of bank guarantee** valid till the completion of the assignment and acceptance of the report.

## 9.0 REQUIREMENT FOR FINANCIAL BIDS:

- a. The Bidder is required to quote a Fixed Lumpsum Fee for aforesaid scope of work in Indian Rupees. ***All applicable taxes should also be shown separately.***
- b. In case of mismatch between the fee quoted, the number in words will be taken as correct for all purposes, including evaluation of financial bids.

- c. The Fee quoted by the bidder shall remain FIXED till successful completion of transaction.
- d. The fee quoted by bidder shall be unconditional. All expenses would be borne by the Asset Valuer.
- e. The Bidders will be liable to pay all taxes applicable as per law.

#### 10.0 **TERMS OF PAYMENT**

The fee to the selected Bidder shall be paid in Indian Rupees after successful completion of disinvestment transaction.

#### 11.0 **MODE OF PAYMENT**

Asset Valuer will raise the invoices in triplicate to **Under Secretary (BEML), Department of Defence Production, Ministry of Defence**. The verified bills shall be forwarded to the **ACCOUNTS OFFICER (DAD), MOD(CIVIL)** for arranging payment. All applicable taxes should be shown separately on the bill.

12.0 For any further clarification, please contact Shri ***M.S.Shamsi, Under Secretary (BEML), Department of Defence Production, Ministry of Defence, Room 131-C, South Block, New Delhi -110011*** Telefax. 011 23014919; e-mail:- [ms.shamsi@nic.in](mailto:ms.shamsi@nic.in)

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**TECHNICAL PARTICULARS**

1.	Name of Bidder	
2.	Postal address with Telephone / fax No./ official e-mail for communication	
3.	Name, address, telephone/ fax No./ e-mail with whom reference may be made	
4.	Please state details of non-refundable fee	
	DD No and date	
	Amount	
	Bankers Name	
5.	Please confirm that you are a Valuer registered with Income Tax Department / RBI / CPWD / Public Sector Bank / Institute of valuers, etc.;	
6.	Confirm that you meet the eligibility criteria and how.(Attach supporting documents)	
7.	State whether details of assignments done are enclosed. Also please state whether relevant documents such as copy of Work Orders secured and performance certificates in support of experience enclosed.	
8.	State whether affidavit-cum-undertaking relating to no conviction and non-conflict enclosed.	
9.	Confirm that all technical and commercial terms and conditions are acceptable.	
10.	Any other information the bidder may desire to furnish:	

Verified that to the best of my knowledge and belief all the above information is correct and nothing has been concealed.

Seal with Signatures of the authorized signatory of the bidder

**Confidentiality Undertaking**

It is certified that the documents / data / information pertaining to BEML Ltd., which will be provided to [Name of the bidder] for valuation or otherwise related to it shall be treated as strictly confidential and will not be disclosed or handed over by [Name of the bidder] to any outside agency / person without prior written permission of Government / Company.

It is further certified that the valuation reports and other relevant documents, which are to be submitted by [Name of the bidder] to the Government will not be disclosed to any other agency / person without prior written permission of Government / Company.

Seal with Signatures of the authorized signatory of the bidder

**FORMAT OF UNCONDITIONAL BID ON THE LETTERHEAD OF THE BIDDER**

To,

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Dear Sir,

This is to certify that the fee quoted by us for engagement as Asset Valuer for valuation of the assets of BEML Ltd. is in accordance with the terms and conditions laid down in the RFP displayed on the website of Department of Defence Production, Ministry of Defence and is unconditional.

Seal with signatures of authorized signatory of the Bidder

**AFFIDAVIT-CUM-UNDERTAKING**

We, the undersigned (“**Bidder**”) are submitting our bid in respect of the Request for Proposal No [●], Dated [●] (“**Bid**”) issued by the **Department of Defence Production, Ministry of Defence**, Government of India, (“**Government**”) in relation to valuation of assets of BEML Ltd. and in this connection we hereby solemnly affirm, declare and undertake as follows:

- (1) Details of the Bidder as disclosed in **Appendix-A** enclosed herewith are true and correct as on date.
- (2) There has been no conviction by any court of law or indictment / adverse order by any statutory or regulatory authority for a Grave Offence against us or any of our Indian Sister Concern(s) or any of our promoters or directors or that of our Indian Sister Concern(s) during the last 10 (ten) years.
- (3) No enquiry / investigations for any Grave Offence is pending against us or any of our Indian Sister Concern(s) or any of our or our Indian Sister Concern’s directors, managers and / or other Senior Managerial Personnel by any regulatory authority and /or government agency.
- (4) The details of enquiry / investigations for non-Grave Offenses pending against us /our Indian Sister Concern(s) / our or our Indian Sister Concern’s directors, managers and /or other Senior Managerial Personnel by any regulatory authority and /or government agency are disclosed in **Appendix-B** enclosed herewith.
- (5) There is no Conflict of Interest with respect to the Proposed Transaction as on date.
- (6) During the tenure of our engagement for the Proposed Transaction, we shall keep the Government informed, without delay, of any situations, circumstances, relationships, possible source or potential areas of Conflict of Interest in the format enclosed as **Appendix-C** herewith and we shall not

take up work in relation to any such assignment without obtaining prior approval of the Government and granting of such approval shall be the sole discretion of Government and shall be binding on us.

- (7) We ourselves and / or for / with or in association with or on behalf of or through any other Entity, shall not take up any advisory or consulting assignment or render any services on a similar transaction or any other transaction which could have a direct Conflict of Interest, in any manner or capacity to a Competitor of the Company during the term of our engagement in respect of the Proposed Transaction without prior written approval of the Government and granting of such approval shall be the sole discretion of Government and shall be binding on us.
- (8) We have put in place a robust mechanism to resolve any Conflict of Interest situations and circumstances that may arise or result while conducting our business or rendering of services and where-so-ever any Conflict of Interest or potential for Conflict of Interest may arise, we shall take reasonable steps to resolve the same forthwith in a fair and equitable manner. During the term of our engagement we shall ensure to and continue to exercise adequate due diligence for identifying and removing any areas, source, situations and circumstances of conflict and mitigating the effects of such conflicts to the satisfaction of the Government, in case any such Conflict of interest (or apparent conflict of interest) arises or results in relation to the Proposed Transaction.
- (9) We have laid down an internal code of conduct for governing our internal procedures and operations and have prescribed the standards of appropriate conduct for our employees and officers for carrying out their duties and responsibilities with a view to appropriately ensuring proper maintenance of professional excellence and standards with integrity, confidentiality, objectivity and have made provisions for identification, avoidance and resolution of conflict of interests and for disclosure of shareholdings and interests, etc., in terms of applicable laws.
- (10) We understand that:

- (i) in cases where existing Conflict of Interest (or apparent conflict of interest) is disclosed by us, the Government would be entitled to initiate appropriate actions to eliminate or address or mitigate or neutralize the conflict through or by restricting or modifying the work to be performed by us in respect of the Proposed Transaction. Government may also terminate our engagement for the Proposed Transaction, in whole or in part, if such termination is absolutely necessary in view of the Government to avoid the appearance of a Conflict of Interest.
- (ii) The Government would be entitled to terminate our appointment if any of the affirmation / declaration / undertaking given by us is found to be false or misleading in any manner or not adhered or fulfilled or complied by us.
- (iii) if at any time after our appointment as an Advisor, either we or any of our Indian Sister Concern or the respective promoters / directors is convicted by a court of law in India or any indictment / adverse order is passed by a regulatory authority in India for a Grave Offence, we shall stand disqualified from continuing as Advisor to the Government and shall be bound to inform them without any delay and shall voluntarily withdraw from the Proposed Transaction failing which the Government may terminate our appointment after giving an opportunity of being heard.

### **Definitions**

Unless otherwise defined in this Affidavit, the following capitalized terms used herein shall have the meanings set out below:

1. **Advisor** means the Bidder and includes bidder(s) who have been selected for the Proposed Transaction by the Government of India in terms of the Bid.
2. **Conflict of Interest:** Conflict of interest in relation to the Proposed Transaction shall without limitation be deemed to exist or have arisen if:

- (i) The Advisor whether itself and / or for / with or in association with / or on behalf of or through any other Entity is engaged in any activity or business which would or may be reasonably expected to directly or indirectly, materially adversely affect the interest of the Government / Company or any such activity / association would or may impair his ability to render fair, impartial, technically sound and objective assistance or advice, or unbiased services or may result in it being given an unfair competitive advantage to any other person.
- (ii) The Advisor whether itself and / or for / with or in association with / or on behalf of or through any other Entity is engaged in advising and / or have taken up engagement for advising / consulting any other Entity whether under a formal engagement or otherwise in relation to any transaction / matter (“**Third Party Transaction**”) which would or may be reasonably expected to directly or indirectly, materially adversely affect the interest of the Government / Company.
- (iii) The Advisor has any business or financial interests in any other Entity that would impair, or give the appearance of impairing, impartial decisions in relation to Proposed Transaction, in offering any advice recommendations or in providing technical assistance or other services to the Government / Company as part of Advisor’s engagement obligations / duties.
- (iv) In relation to a strategic sale by the Government of India / Company, the Advisors has taken up engagement with buyer / potential buyer of such strategic sale or their Sister Concerns.
- (v) Any other situation, possible source or potential areas of interests which may impair Advisor’s ability to render fair, impartial, technically sound, and objective assistance or advice, or unbiased services on in conflict of their professional duties towards Government / Company in respect of the Proposed

Transaction or result in it being given an unfair competitive advantage to any other person.

3. **Company** means **BEML Ltd.**
4. **Competitor** of the Company means an Entity in India that is engaged in the business substantially similar to the business of the Company. Business of an Entity shall be deemed to be substantially similar to the business of the Company if turnover or profit of such Entity from the business activity(ies) in which the Company is engaged, exceeds 33% of its total turnover or profit (in any of the last three years).
5. **Entity** shall mean and include an individual, proprietorship, HUF, an association of person/body of Individuals, a partnership firm, limited liability partnership, company or any other persons.
6. **Grave Offence** means offences of such nature that it materially affects the reputation, business or operations adversely or outrages the moral sense of the community and such other offences which may be considered by the Government / Company as grave on a case to case basis after considering the facts and relevant legal principles.
7. **Proposed Transaction** means the transaction to be undertaken as described in bid no [●], issued by the Government.
8. **Senior Managerial Personnel's** means managing director, company secretary, chief executive officer, chief financial officer or persons having equivalent positions and all such other employees of the Entity who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors and include the functional heads.
9. **Sister Concern** in relation to the Advisor, means any Entity in which the Advisor has a significant influence or which has "significant influence" over the Advisor and includes a group and a joint venture company. "Significant influence" means holding of at least twenty percent or more of total voting rights or the power to participate in and

influence the management, financial or operating policy decisions of that Entity, or of business decisions under an agreement or has twenty percent profit sharing in such Entity.

**Appendix A, B and C** hereto shall constitute and shall be deemed to form an integral part of this document.

## Appendix-A

### BIDDER DETAILS

<b>Name of the Bidder</b>	
<b>Address: Registered Office: Corporate Office Tel: E-mail:</b>	
<b>Constitution</b>	Company/Partnership/LLP/Others (If selected others, please provide the nature of constitution)
<b>SEBI registration no, if registered with SEBI</b>	
<b>Details of registration with other professional statutory bodies</b>	

## Appendix-B

### DETAILS OF PENDING ENQUIRY/INVESTIGATIONS

<b>S. No</b>	<b>Name of the Sister Concern(s) / concerned person(s) against whom the enquiry / investigation has been initiated</b>	<b>Relationship with the bidder</b>	<b>Name of the investigating agency</b>	<b>Nature of pending enquiry / investigation and law under which the enquiry has been initiated</b>	<b>Brief facts / interim orders / other relevant information in respect of the pending enquiry / investigation</b>

## Appendix-C

### DETAILS OF PRESENT / POTENTIAL CONFLICTS / FACTS OR INTERESTS THAT MAY BE DEEMED AS POTENTIAL CONFLICT OF INTEREST

<b>S. No</b>	<b>Name of the Entity, in which interests Conflicts exit / may arise</b>	<b>Relationship of the Bidder with the Entity</b>	<b>Nature / areas of conflict / potential conflict</b>	<b>Duration of subsistence of conflict, if any</b>	<b>Such other information as may be relevant and material in deciding whether there is a conflict / potential conflict of interest</b>

Seal with signatures of authorized signatory of the Bidder

Format of Financial Bid on the Letterhead of the Bidder

Sl. No.	Description	Asset Valuation Fee in INR #	
		Figures	Words
1*	Fixed Lump-Sum Fee in Indian Rupees  (Excluding all applicable taxes)		
2	All applicable taxes: (i) (ii) (iii)		

Note:

\* Financial bid shall be evaluated based on Sl. No. 1 only.

# In case of mismatch in figures and words quoted, the words will be taken as correct for all purposes.

Seal with signatures of authorized signatory of the Bidder