

**No. 4/45/2017-DIPAM-II-A
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT & PUBLIC ASSET MANAGEMENT**

**ENGAGEMENT OF LEGAL ADVISERS FOR STRATEGIC DISINVESTMENT OF
DREDGING CORPORATION OF INDIA LIMITED (DCIL).**

1. Introduction:

1.1 The Dredging Corporation of India Limited (DCIL) is a listed Public Sector Company under the administrative control of Ministry of Shipping. DCIL was incorporated in the year 1976. Government of India shareholding in the company is 73.47%. The total turnover of the company in Financial Year 2016-17 was Rs 599.69 crores. The networth of the company as on 30.09.2017 is Rs 1547.57 crores.

1.2 DCIL is a pioneer organization in the field of dredging and maritime development. DCIL is fully equipped to offer the complete range of dredging and allied services to the users in India and Abroad and to provide the vital inputs for the national development. It's Head Office is strategically situated on the east coast of India at Visakhapatnam, DCIL helps to ensure continuous availability of the desired depths in the shipping channels of the major and minor Ports, Indian Navy, Fishing Harbors and other maritime organizations. It further serves the Nation in a variety of ways, be it capital dredging for creation of new harbors, deepening of existing harbors or maintenance dredging for the upkeep of the required depths at various Ports along the 7,500 kms coastline of India.

1.3 The Company's registered office is at Core- 2 , 1st floor, SCOPE MINAR, Plot no 2A & 2B Laxmi Nagar District Centre, Delhi 110092 and Head office is at "Dredge House, Port Area, Visakhapatnam, Andhra Pradesh. As on 31.03.2017, the total number of employees (both Shore and Floating) in the Corporation are 503, as against 523 during the previous year excluding MPWs, Contract Officers and Crew.

1.4 The web-site of the company is at - www.dredge-india.nic.in

2. Proposal:

2.1 The Government of India (GoI) has "in-principle" decided to consider the disinvestment of 100% GoI equity of Dredging Corporation of India Ltd., through Strategic Sale, in one go through two stage auction process, with the advice of the Transaction Advisor, in addition to the option recommended by NITI Aayog. The Department of Investment and Public Asset Management (DIPAM), on behalf of Government of India, requires the services of reputed Law Firms with experience and expertise in Mergers & Acquisitions/takeovers/strategic disinvestment to act as Legal Adviser and assist Government in the process.

2.2 The eligible domestic Law Firm, as per eligibility conditions prescribed in 'Eligibility Criteria' may submit proposals as per the guidelines mentioned hereunder for selection of the Law Firm(s).

3. Scope of Work

- (i) Review and advise on all legal contracts, titles of property assets/real estate, intellectual property rights and contracts with employees etc;
- (ii) Review of the Information Memorandum specifically with respect to disclosures relating to titles, land and property, intellectual property rights, litigations and any other disclosures in the Information Memorandum which may need to be vetted legally;
- (iii) Review of RFP document;
- (iv) Drafting of transaction related documents including:
 - Confidentiality Agreement/share purchase agreement/shareholders agreement/ Non-compete Agreement, etc.
 - Any other ancillary agreement as may be required to assist in the closure of the transaction.
- (v) Advise and assistance in arrangements for the due diligence exercise and data room preparation;
- (vi) Advise on the structure of the transaction including, as may be require, compliance with SEBI guidelines, Stock Exchange Listing guidelines, Companies Act, Income Tax Act and any other relevant laws;
- (vii) Review of necessary corporate resolution including, if required, for formation of subsidiary/transfer of business to subsidiary or a shell company etc;
- (viii) Assistance as may be required, in negotiations with the potential Strategic Partner(s) including advising in legal matters during and on the disinvestment process;
- (ix) Assistance in drafting and implementation of an ESOP or any other scheme for employees that is compliant with the laws;
- (x) Facilitating closure of the transaction;
- (xi) Assist in any issues that may arise in connection with the transaction;
- (xii) Law Firm would have to work in close coordination with the Transaction Advisor and other intermediaries appointed for the transaction by DIPAM/AM/AD.

The Scope of Work mentioned above are indicative and non-restrictive in nature. There may be some services relevant but not expressly captured in the aforesaid Scope of Work, which upon being brought to the notice of the Legal Advisor by Gol will also form an integral and mandatory part of the Scope of Work.

4. **Eligibility Criteria:**

4.1 The domestic law firms should be a reputed professional firm having experience of at least 5 years for providing advisory services for strategic disinvestment/ strategic sale / M&A activities/ private equity investment transaction

4.2 Bidders should have advised, handled and successfully completed at least one transaction of strategic disinvestment/ strategic sale / M&A activities/ private equity investment transaction of the size of Rs. 1200 crores or more during the period 01.04.2014 to 30.09.2017.

5. **Proposal Format & Technical Evaluation Criteria**

5.1 Interested Law Firm may submit their Proposal in the following format.

5.1.1 **Experience and capability in handling Mergers & Acquisitions/takeovers/strategic disinvestment:**(Weightage for evaluation 25/100)

- (i) Profile of the organization
- (ii) Capability, capacity and previous experience of the Firm and expertise in handling such assignment including open offers required to be made in case of listed companies posting closure of the transaction
- (iii) Demonstrate ability to work with Government and in coordination with Transaction Advisors and other intermediaries as a part of team.

5.1.2 **Infrastructure like branch offices & Manpower:** (Weightage for evaluation 25/100)

- (i) Details of infrastructural facilities like office, manpower etc. in India.
- (ii) Detailed profile of the core and support teams (with CVs of each team member detailing qualification and relevant experience) that will be deployed on each assignment in the event of selection.

5.1.3 **Understanding of the Regulatory framework:** (Weightage for evaluation 15/100)

- (i) Demonstrate understanding of the legal, policy & regulatory issues in Mergers & Acquisitions/takeovers/strategic disinvestment, i.e. SEBI, Companies Act, FDI guidelines etc.
- (ii) Indicate the expertise in handling the regulatory requirements and securing the required approvals from the concerned authorities.

5.1.4 **Indicative Timeline:** (Weightage for evaluation 10/100)

- (i) Demonstrate ability to deliver in accordance with the timetable requirement and the ability to commit key personnel for the entire duration of the transaction. Suggest a timeline for the proposed transaction.

5.1.5 **Strategy for the Strategic Disinvestment:** (Weightage for evaluation 25/100)

- (i) Indicate intended approach to the proposed transactions including the sequencing of the activities involved in the transaction.
- (ii) Demonstrate capability of preparing quality document to be filed with Stock Exchanges and other regulatory authorities or the agreements that are required to be entered into in the course of the transaction.

5.2 Threshold for short listing the Bidders for technical evaluation will be pre-determined and the technically qualified shortlisted Bidders shall be considered for evaluation of financial bid.

6. PRE-BID MEETING:

A pre-bid meeting will be held before the last date for receiving the Proposals. Date, time and venue will be posted on the website of the DIPAM in due course of time. The interested parties are required to send in their queries by e-mail to the Officer to receive the Bid as given in paragraph 7.2 below.

7. Submission of Proposal

7.1 The proposals are required to be submitted in two envelopes as per the following:

- (i) **Envelope 1** containing
 - (i) The technical bid as per format in paragraph 5
 - (ii) Authority letter relating the authorized signatory.
 - (iii) Furnish an Affidavit-cum-Undertaking as per **Annexure-1** relating to 'no conviction' and 'no conflict', duly signed by the authorized signatory.
 - (iv) Confidentiality Undertaking in the Format at **Annexure-2**
 - (v) Certificate on unconditional bid in the format at **Annexure-3**. Please note that bids with conditionality shall be summarily rejected.
 - (vi) Certificate that in case of selection and appointment, a Performance Guarantee equivalent to 5% of the fee quoted would be given in the form of demand draft or bank guarantee, valid till the completion of the transaction.
 - (vii) Non-refundable fee of Rs 50,000 (Rupees Fifty Thousand only)
- (ii) **Envelope 2 (Sealed)**: The Financial Bid in the format as per **Annexure-4**.

7.2 The proposal (both envelopes) can be submitted latest by **1500 hrs. on 18.01.2018** to **Sh. Priya Ranjan**, Under Secretary, DIPAM, Room No. 203, 2nd Floor, Block No. 11, CGO Complex, Lodhi Road, New Delhi- 110003, in hard copies in original, duly signed by the authorized officer of the Legal Adviser. No proposal will be

entertained after the appointed time and date. The Government will not be responsible for any postal/ courier delay. The proposals received after the appointed time and date will be rejected.

7.3 The EoI will be opened by the tender opening Committee in the presence of the bidders on 18.01.2018 at 15:30 hrs (IST) in the Conference Hall (No. 515), DIPAM, 5th Floor, Block – 14, CGO Complex, Lodhi Road, New Delhi – 110003.

7.4 The Government reserves the sole right to accept or reject any or all Proposals thus received without assigning any reasons thereof.

7.5 Financial Bid, to be opened only after the presentations of only those parties who qualify in the technical evaluation.

8. **Procedure for selection:**

8.1 Qualified interested Law Firms (applicants) will be required to make a presentation in respect of their Proposal before a Selection Committee in the Conference Hall of DIPAM, (Room No. 515), Block No. 14, CGO Complex, Lodhi Road, New Delhi.

8.2 The schedule of presentation will be posted on the website of DIPAM (<http://dipam.gov.in>) in due course.

8.3 The Selection Committee will evaluate the applicants on the criteria mentioned in paragraph 5 above and based on their Proposal and presentation; short-list them for considering their financial bids. Only the party scoring Pre-determined marks / score, out of 100, which will be announced before presentation, will be technically shortlisted. The Selection Committee will open the Financial Bids of only short listed applicants. The lowest bidder will be awarded the assignment.

8.4 In case of a tie in the financial bid, the bidder who has a higher technical score, will be selected.

9. **Requirements for Financial Bids**

- (a) The Bidder is required to quote a Fixed Lump sum Fee for aforesaid scope of work in Indian Rupees inclusive of all applicable taxes.
- (b) In case of mismatch between the fee quoted, the number in figures 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 other expenses would be borne by the Bidder.
- (e) The Bidders will be liable to pay taxes applicable as per law.

10. **Terms of Payment:**

The fee to the selected Bidder shall be paid in Indian Rupees as under:

- a) 20% of the fee quoted and accepted by the government on issue of the RFP inviting Eols from the prospective bidders and their short listing.
- b) 50% on inviting the financial bids from the prospective buyers and its acceptance by the government.
- c) 30% on successful completion of the transaction.

11. MODE OF PAYMENT

The firm will raise the invoices in triplicate to DIPAM for arranging payment. The different taxes should be indicated separately while raising the bills for payment of fee. However, the gross amount shall be the figure quoted in financial bid on basis of which the bidder was selected.

11.1 The applicant is required to quote a lump sum fee inclusive of applicable taxes and payable as per law by the applicant.

11.2 The fee quoted should be unconditional and inclusive of all expenditure. It may be noted that the Law Firm cannot prescribe any time limit for validity of the financial bid.

11.3 For any further clarification, please contact Shri Priya Ranjan, Under Secretary, Ministry of Finance, DIPAM, Room No. 203, 2nd Floor, Block No. 14, CGO Complex, Lodhi Road, New Delhi - 110 003, Tel. 011-24368736, Fax 011-24368502

E-mail:- priya.ranjan@nic.in

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 Investment and Public Asset Management, Ministry of Finance, Government of India, (“**Government**”) in relation to [●] 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 ten financial 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 Offences 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 are 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/Company 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/Company and granting of such approval shall be the sole discretion of Government/Company 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/Company and granting of such approval shall be the sole discretion of Government/Company 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/Company, 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/Company would be entitle 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/Company 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/Company to avoid the appearance of a Conflict of Interest.
 - (ii) The Government/Company 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/Company and shall be bound to inform them without any delay and shall voluntarily withdraw from the Proposed Transaction failing which the Government/Company 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/Company in terms of the Bid.
2. **Conflict of Interest:** Conflict of interest in relation to the Proposed Transaction shall without limitation is 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 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 [●]
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 the 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 case to case basis after considering the facts and relevant legal principles.
7. **Proposed Transaction** means the transaction to be undertaken by the Government/Company 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.
10. **"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

Name of the Bidder	
Address: Registered Office: Corporate Office Tel: Email:	
Constitution	Company/Partnership/LLP/Others (If selected others, please provide the nature of constitution)
Details of registration with other professional statutory bodies	

Appendix-B

DETAILS OF PENDING ENQUIRY/INVESTIGATIONS

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

Appendix-C

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

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

Confidentiality Undertaking

It is certified that the documents/ data/ information pertaining to (name of the company), 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 the 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 permission of the Company and will be treated as strictly confidential.

Seal with Signature of the authorized signatory of the bidder

FORMAT OF UNCONDITIONAL BID ON THE LETTERHEAD OF THE BIDDER

To,

Dear Sir,

This is to certify that the fee quoted by us for engagement as Legal advisor for strategic disinvestment of Dredging Corporation of India Limited (DCIL) is in accordance with the terms and conditions laid down in the RFP displayed on the website of the DIPAM and is unconditional.

Seal with signatures of authorized signatory of the Bidder

Format of Price Bid on the Letterhead of the Bidder

Sl. No.	Description of work	Fee (all inclusive) in INR
1.	Fixed Lump-Sum Fee in Indian Rupees inclusive of all applicable taxes. All other expenses will be borne by ----- -[name of the bidder]	(In Numbers) (In Words)

- Note: (1) In case of mismatch in number and the words quoted; the words will be taken as correct for all purposes.
- (2) Since the bid is inclusive of all taxes, any additional liability of tax that may arise either on account of change in tax rate or additional taxes by the Central or State Governments, shall be borne by the bidder.

Seal with signatures of authorized signatory of the Bidder