

NO F. No. 3/6/2018-DIPAM-V

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT (DIPAM)**

Engagement of one Asset Valuer for strategic sale of GoI's existing 52.63% of total paid up equity shareholding in REC Limited (REC) to Power Finance Corporation Limited (PFC) - Request for Proposal

1. INTRODUCTION

1.1 PFC and REC both are Central Public Sector Enterprises (CPSEs) under the administrative control of the Ministry of Power (MoP), in which the Government of India holds 61.38% and 52.63% paid up equity share capital, respectively. Post – Acquisition, both entities will continue to maintain separate identities. PFC would enter the promoter group of REC

1.2 CCEA in its meeting held on 06.12.2018 has granted “In-principle” approval for strategic sale of the Government of India’s existing 52.63% of total paid up equity shareholding in REC to PFC along with transfer of management control, which will result in REC becoming a subsidiary company of PFC.

1.3 Power Finance Corporation (PFC), incorporated on 16.07.1986, is a Schedule- ‘A’ Navratna listed CPSE in financial services sector under the administrative control of MoP with 61.38 % shareholding by the Government of India. The Company is engaged in the business to finance power projects, power transmission and distribution works, renovation and modernization of power plants, system improvement and energy conservation, maintenance and repair of capital equipment etc, survey and investigation, studies, schemes and experiments, other energy sources, manufacturing of capital equipments, to finance activities having forward and backward linkages to power projects form its operating units and to

provide consultancy services etc. Details about PFC may be seen at www.pfcindia.com .

1.4 REC Limited (REC), incorporated on 25.07.1969, is a Schedule-‘A’ Navratna listed CPSE in Financial Services sector under the administrative control of MoP with 52.63% shareholding by the Government of India. REC is engaged in financing projects/schemes of power generation, transmission, distribution, rural electrification, systems improvement, renovation and modernization of power plants in both public and private sectors. Its key project includes Term Loans, Medium Term Loans, and Short Term Loans etc. Details about REC may be seen at www.recindia.nic.in.

2. PROPOSAL

2.1 The Government of India intends to disinvest its existing 52.63% of total paid up equity share-holding in REC through strategic sale to PFC along with transfer of management control. DIPAM, on behalf of Government of India, requires the services of a reputed Asset Valuer to carry out a diligent and fair valuation of REC for the limited purpose of its disinvestment with continuance of all of its existing business operations.

2.2 All interested entities, with desired experience in valuation, and which fulfill the conditions prescribed in the ‘Eligibility Criteria’, may submit proposals, as per the guidelines mentioned hereunder, for selection as ‘Asset Valuer’.

3. TERMS OF REFERENCE (SCOPE OF WORK)

3.1 The broad scope of work for the Asset Valuer is to carry out the valuation of all assets of REC including its lending business, its investments, its investments in joint ventures, associates and subsidiaries, the Government of India administered schemes being run by it, various offices and locations , both within and outside India, if any, to be made on “as is where is basis” for the purpose of existing business operations and keeping in view the objective of disinvestment.

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

- a. Clearly identify, describe and list all properties and assets, including intangibles such as Trademark, title to property rights, being valued, as provided by the Company. Valuation of Intangibles is to be given/ indicated separately.
- b. Exercise due diligence and take full and comprehensive view of relevant data while making separate valuation of each and every distinct asset, and due diligence on approvals from various regulatory authorities as applicable, review of physical encumbrances, if any, etc.
- 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 with proper justification in support of the best possible value assessment of the company and process followed as per the government guidelines.

- d. Make valuation 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 along with the underlying assumptions for adopting the particular method of valuation.

- f. State clearly any limiting conditions with supporting empirical data that may alter opinions and conclusions or influence valuation.

- g. Provide sufficient information in the Report to enable the reader to fully understand it, place reliance on the supporting data, reasoning, analyses and conclusions underlying Asset Valuer's findings, opinions and conclusions indicating implication on final valuation of enterprise value in quality and quantity both.

- 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 making a draft report (without valuation) and making detailed presentations on the subject matter as may be required by DIPAM. Post presentation, the Valuer, shall, if required, incorporate the suggestions, as may be requested by DIPAM or provide for any other additional clarification that may be required. The final deliverable shall be the final Valuation Report, incorporating the changes/modifications as may be suggested.

- j. The Valuer shall strictly abide by the Ethics and Integrity clauses prevalent Nationally/Internationally in similar Agreements. The Valuer shall submit an undertaking in the form of a duly notarized affidavit on non-judicial stamp paper of Rs.100 (Rupees One Hundred), as per Annexure-VI, for the commitment towards Integrity and ethics principles of transparency in public procurement.

- k. The Valuer shall sign a confidentiality agreement with REC to keep and maintain confidential, all data, information and the Valuation Report, during and after valuation until so permitted as per the confidentiality agreement or till the process of disinvestment is completed, whichever is later. The valuer shall submit an undertaking as provided in **Annexure II** and shall sign a confidentiality agreement with REC as per the format given in **Annexure VII**.

- I. The Valuer shall provide such other assistance as may be required in connection to the above including any post - disinvestment support relating to valuation issues.

3.2 In addition, the Valuation Report should, *inter alia*, contain the following:

- (i) Inception Report
- (ii) Adopted approach & methodology.
- (iii) Analytic professional assessment including relevant considerations taken in to account in valuation of assets.
- (iv) Annexures including Value of the fixed assets covering land, building, plant and machinery, other fixed assets and intangibles such as property rights embodied in TRADEMARK along with their details illustrated as under:
 - (a) Receivables
 - (b) Land - Land and title details, values arrived at with reference to various sources/methods, market value, circle rate; final recommended value etc.
 - (c) Building - Specifications, condition computation of fair value (such as details) regarding current costs and depreciation.
 - (d) Plant and machinery - Specification, condition, computation of value (such as details regarding current costs, depreciation for past usage, scrap value factoring into the obsolescence in technology, etc.), if any.
 - (e) Other Assets- Including projects under construction.

(f) Other Fixed Assets - Specifications, condition, depreciation.

(g) Any other matter, which the Valuer in their own professional judgment consider worth indicating. Replacement Value and Realizable Value for the above 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 All the assets are to be valued separately, keeping in view the restriction on their use for the existing business operations only.

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

3.5 DIPAM reserves the option of getting valuation done from any other agency.

4. ELIGIBILITY CRITERIA:

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

- i. Interested parties should be valuers registered with the registration Authority under Rule 7(b) of the companies

(Registered Valuers and valuation) Rules 2017, as amended and having experience of atleast 5 years for providing similar asset valuation services.

- ii. The interested parties should have completed at least 1 valuation in the last 5 years, of a value of Rs.5,000 crore (Rupees Five Thousand crore) or more in each case. (A true copy of the certificate from the client of the interested parties to be produced for successful completion of the asset valuation)
- iii. The interested party should have minimum average annual turnover of Rs.10 (Ten) crore in three previous financial years.
- iv. Consortium bids will not be allowed.

5. 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
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A	<p><u>Experience and capability</u></p> <p>(i) Profile of the organization and details of domestic/international assignments, indicating understanding of asset valuation in Financial Services Sector, if any.</p> <p>(ii) Capability, capacity, experience and expertise in handling similar assignments.</p> <p>(iii) Demonstrate ability to work with the Company and in coordination with the Transaction/Legal Advisor and other intermediaries, as part of a team.</p>	40
B	<p><u>Infrastructure and Manpower</u></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 their qualification and relevant experience) that will be deployed on the assignment in the event of selection.</p>	30
C	<p><u>Strategy for Valuation</u></p> <p>Indicate strategy for valuation and demonstrate ability to deliver in a tight timetable, committing personnel and indicate the timeline.</p>	30
Total		100

The interested parties should submit their queries, at least 2 working dates prior to the Pre-bid meeting.

6. **Pre-bid Meeting** - The date, time & venue for the same will be posted at DIPAM website at www.dipam.gov.in. DIPAM retains the right to amend this document subsequent to Pre-bid meeting.

7. **BID SUBMISSION:**

7.1 Proposals are to be submitted in two separate sealed covers as per the following directions: -

(i) **Cover 1:**

- (a) Demand Draft of Rs. 50,000/- in favour 'Pay and Accounts Officer, Ministry of Finance, DIPAM, New Delhi' payable at Delhi, as non-refundable fee.
- (b) Covering letter on Letter Head of Company/Firm for bid submission by the Bidder.
- (c) Authority letter authorizing of any person to sign the proposal and other documents on behalf of the bidder.
- (d) Technical Bid along with all schedules, certificates & Annexure, duly filled and signed, by the authorized signatory on behalf of the Bidder, as per the 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 and no conflict of interest, as per **Annexure-IV**.
 - (h) Certificate to the effect that in case of selection and appointment, a Performance bank guarantee fee amounting to 10% of fee quoted, will be given in the form of a demand draft or bank guarantee, which shall be valid till the completion of the assignment and acceptance of the report.
- (ii) **Cover 2 (sealed)**: Bidder should furnish financial bid in the format as per **Annexure-V** and super-scribe the cover with the RFP reference.

7.2 Proposal (comprising both sealed cover) can be submitted latest by 1500 hours (IST) on [3rd January, 2019] to, Shri Narendra Singh, Under Secretary, DIPAM, CGO Complex, Block No.11, Room No. 221, 2nd Floor, New Delhi- 110003 Telephone No.: 011- 24360163, e-mail: narendra.singh64@nic.in, in hard copies, in original, duly signed by the authorized person. No proposal shall be entertained after the expiry of date and time given above. The Government will not be responsible for postal/courier delay.

7.3 Financial Bid will 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 or to cancel the RFP or the work, 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. PROCEDURE FOR SELECTION OF ASSET VALUER:

8.1 The qualified bidders would be required to demonstrate their credentials before a Selection Committee through a presentation in respect of their proposals, covering the areas/ criteria listed above. They are required to bring along 15 copies of the presentation, at the time of presentation.

8.2 The date, time and venue for the presentation will be intimated in due course.

8.3 The Selection Committee would evaluate the Bidders on the criteria mentioned in paragraph 5 above based on their presentation and the proposals and shortlist them for the purpose of opening of their Financial Bids. Only the parties scoring minimum score of 70% out of 100, will be technically short-listed. The Selection Committee will open the Financial Bids of only short - listed applicants.

8.4 The short-listed bidders, if they so desire, may remain present at the time of opening of the financial bids. The marks scored by the short-listed bidders will be announced before opening of the financial bids.

8.5 The Financial bids of the short-listed bidders will be given a weightage of 30. The combined score of technical and financial bids based on the Quality and Cost Based Selection (QCBS) will determine the H1, H2, H3 and so on.

8.6 The bidder scoring the highest points/marks (H1) based on the above principles would be selected for the transaction. In the case of a tie in marks, the bidder who has a higher technical score, will be selected.

9. REQUIREMENT FOR FINANCIAL BIDS:

9.1 The Bidder is required to quote a fixed lump-sum fee in INR (in a sealed envelope) for the transaction. The fee quoted by the Bidder should be inclusive of all the applicable taxes, cess, duties, etc.

The fee quoted should be minimum Rs. 1.00 (Rupee One) or in multiples of Rs. 1.00 (Rupee One), failing which the financial bid would be rejected. The different taxes should be indicated separately while raising the bills for payment of fee. All bills are to be raised in INR and will be payable in INR.

9.2 In case of mismatch of figures quoted in number and words; the figures in words will be taken as correct for all purposes.

9.3 The Fee quoted by the H1 bidder shall remain fixed till successful completion of transaction.

9.4 The fee quoted should be unconditional. The travel-related expenses, stay expenses and all the other expenses including those related to due diligence, collection and review of data, preparatory work, visits to site, visits for clarifications/ meetings, making presentations, preparation of report, etc. will have to be borne by the Valuer.

9.5 The Bidders will be liable to pay taxes/duties/cess etc. applicable as per prevailing law at their end.

10. TERMS OF PAYMENT

90% of the fee to the selected Bidders shall be paid in Indian Rupees after successful completion of the aforesaid work and after handing over of valuation report to the Government. Balance 10% of the fees shall be paid in Indian Rupees after the process of disinvestment has been completed.

The payment of the fee to the selected bidder shall be made as under:

- a. 10 % of the fee to be paid after the submission of Inception Report.
- b. 30 % of the fee to be paid after the submission of Draft Report.
- c. 50 % of the fee to be paid after the acceptance of Final Report by the Government.
- d. 10 % of the fee to be paid after the process of disinvestment has been completed

11. MODE OF PAYMENT

Asset Valuers will raise the invoices in triplicate to Shri Narendra Singh, Under Secretary, DIPAM, CGO Complex, Block No.11, Room No. 221, 2nd Floor, New Delhi- 110003 Telephone No. : 011- 24360163, e-mail: narendra.singh64@nic.in,. The verified bills shall be forwarded to the Cash Division duly counter-signed by the officer concerned for arranging payment. The different taxes should be indicated separately while raising the bills for payment of fee. Payment will be released after verification through one of the accepted modes of electronic transfer.

12. COMPLETION PERIOD

The Bidders are required to complete the aforesaid services /work in all respects within a period of 30 days from the date of issue of appointment letter and submit its Valuation Report whenever called for. Notwithstanding the submission of the Valuation Report, the Government shall have the right to call upon the Valuer for making presentations on its report before any committee or officials of the Government and to respond to any queries/ clarifications as the Government may seek and further, to provide support to the Government on valuation issues post disinvestment.

13. CONSTRUCTION AND INTERPRETATION

The Agreement between the Government of India and the Asset Valuer, including this RFP, shall be interpreted harmoniously. The documents shall be read as a whole for its correct meaning and interpretation.

14. NON-ASSIGNMENT

Except as may be expressly agreed in writing by the Government of India, the successful bidder shall not assign its rights or obligations under the Agreement (Proposal, as accepted) to any other party.

15. TERMINATION

The award of work on the successful bidder/ Asset Valuer may be terminated by the Government of India, if the said bidder becomes bankrupt or is dissolved, or ceases to exist or if the bidder unreasonably delays in carrying out the work entrusted to it. The Government of India also reserves the right to terminate the engagement of the Valuer at any time if it decides not to go ahead with the proposed disinvestment. In case of any termination, the Valuer will not be entitled to any payment other than for the milestone referred to in clause 10 above which has already been achieved.

16. Governing Law and Jurisdiction

This RFP and the subsequent agreement between the Parties shall be interpreted by and shall be governed and construed in accordance with the laws of India, without giving effect, if applicable, to the principles of conflict of laws. The Courts at New Delhi, India shall have jurisdiction over all matters arising out of or relating to this Agreement.

17. Arbitration

Any claims, questions, controversies or disputes which arises between the Parties to this RFP/Agreement concerning its construction or application, or the rights, duties or obligations of any Party hereunder, or arising from termination hereof, shall be referred to arbitration by a Sole Arbitrator appointed as per the Arbitration and Conciliation Act, 1996. The Sole Arbitrator shall be a person of great repute and unconnected to either party. The proceedings shall be in English, the laws of India shall be applicable and the place shall be New Delhi. The Award shall contain reasons and be final and binding on the parties.

18. For any further clarification, please contact Shri Narendra Singh, Under Secretary, DIPAM, CGO Complex, Block No.11, Room No. 221, 2nd Floor, New Delhi- 110003 Telephone No. : 011- 24360163, e-mail: narendra.singh64@nic.in

TECHNICAL PARTICULARS

1.	Name of Bidder	
2.	Postal address with Telephone/fax No./official e-mail for communication	
3.	Name, address, telephone/fax No./email with whom reference may be made	
4.	Please state details of non- refundable fee	
	DD No and date	
	Amount	
	Bankers Name	
5.	Details confirming that the bidder is a Valuer registered with Income Tax Department/ RBI/CPWD/Public Sector Bank/Institute of valuers, etc.(Please attach supporting documents)	
6.	Confirm that you meet the eligibility criteria and how (attach supporting documents)	
7.	State whether details of assignments done as AV (during the period as stated in para 4.1(ii), eligibility criteria) are enclosed. Also please state whether relevant documents such as copy of Work Order's secured and performance certificates in support of experience are enclosed.	
8.	State whether the 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 Signature of the authorized signatory of the bidder

Confidentiality Undertaking

It is certified that any and all information provided to [Name of the bidders] by REC or any of its subsidiaries or affiliates shall be deemed to be Confidential Information (whether marked “confidential” or not) and [Name of the bidders] shall safeguard the said Information with a great degree of care to ensure its confidentiality. [Name of the bidders] will use such information solely for the purpose for which it was disclosed and will not disclose, distribute, or disseminate the information to any third party (except its own employees on a need to know basis and after ensuring that they are made aware of and undertake to treat all such information as confidential). The period for which such information shall be treated as confidential is 10 (ten) years from the date of its disclosure, irrespective of the period of the agreement or its earlier termination. [Name of the bidders] agrees that damages is not an adequate remedy to REC in case of any unauthorized disclosure and REC shall have full rights to obtain any mandatory or injunctive relief from a Court to enforce this provision of confidentiality. In case [Name of the bidders] is declared a successful bidder and is engaged by GOI for this engagement, [Name of the bidders] shall sign a confidentiality agreement with REC as per the format given in Annexure VII.

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 Government 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 Asset Valuer for valuation of the assets of REC Limited 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

AFFIDAVIT-CUM-UNDERTAKING

We, the undersigned (“**Bidder**”) are submitting our bid in respect of the Request for Proposal No..... , Dated (“**Bid**”) issued by Ministry of Finance, Department of Investment and Public Asset Management, (“**DIPAM**”) in relation to strategic sale of Gol’s existing 52.63% of total paid up equity shareholding in REC Limited (REC) to Power Finance Corporation Limited (PFC), 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).
- (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 are no Conflicts 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 DIPAM 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 DIPAM and granting of such approval shall be the sole discretion of DIPAM 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 DIPAM and granting of such approval shall be the sole discretion of DIPAM 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 DIPAM, 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 not disclosed by us, DIPAM 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. DIPAM may also terminate our engagement for the Proposed Transaction, in whole or in part, if such termination is absolutely necessary in view of DIPAM, to avoid the appearance of a Conflict of Interest.
- (ii) DIPAM 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 Asset Valuer, 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 Asset Valuer to DIPAM and shall be bound to inform them without any delay and shall voluntarily withdraw from the Proposed Transaction failing which DIPAM may terminate our appointment after giving an opportunity of being heard.

Definitions

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

1. Asset Valuer means the Bidder and includes bidder(s) who have been selected for the Proposed Transaction by DIPAM 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 Asset Valuer 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 DIPAM 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 Asset Valuer, 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 DIPAM.
 - (iii) The Asset Value 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 DIPAM as part of Asset Valuer's engagement obligations/duties.

- (iv) In relation to a strategic sale/merger by DIPAM, the Asset Valuer 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 Asset Valuer's ability to render fair, impartial, technically sound, and objective assistance or advice, or unbiased services or in conflict of their professional duties towards DIPAM in respect of the Proposed Transaction or result in it being given an unfair competitive advantage to any other person.

3. **Company** means REC Limited.
4. **Competitor** of the Company means an Entity in India or abroad 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 DIPAM 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 DIPAM as described in **bid No. ...dated** issued by DIPAM.

8. **Senior Managerial Personnel's** means Chairman & 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 including 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 Asset Valuer, means any Entity in which the Asset Valuer has a significant influence or which has "significant influence" over the Asset Valuer 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

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)
SEBI registration no, if registered with SEBI	
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. N o	Name of the Entity, in which interests Conflicts exist/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

Seal with signatures of authorized signatory of the Bidder

Format of Price Bid on the Letterhead of the Bidder

Sl. No.	Description of work	asset valuation Fee (all inclusive) in INR in Figures To be entered by the Bidder
		Figures
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 words (Rupees only)

Note: In case of mismatch of figures quoted in number and words; the figures in words will be taken as correct for all purposes. Financial bid shall be evaluated based on Sl. No.1 only.

Seal with signatures of authorized signatory of the Bidder

(Duly Notarised affidavit on Non- Judicial Stamp paper of Rs. 100 (Rupees Hundred only)

Integrity and Ethics Undertaking

[Name of the bidder] Undertakes to act in good faith with respect to one and others to one and others rights prior to, during or subsequent to the currency of the contract and to adopt all responsible measures to ensure the realization of the objectives prior to, during or subsequent to the currency of the contract

2.0 Integrity and Ethics

[Name of the bidder] undertakes to avoid all forms of corruption by following a system that is fair, transparent and free from influence and prejudice, prior to , during or subsequent to the currency of the contract.

[Name of the bidder] commit itself to takes all measures necessary to prevent corrupt practice, unfair means and illegal activities during any stages of its bid or during any pre-contract or post- contract stage in order to secure the contract or in furtherance to secure it.

The GoI undertakes that during the pre-contract stage, it shall treat all bidders alike and will provide to all bidders the same information and will not provide any such information to any particular bidder which could afford advantage to any particular bidder in comparison to other bidders. Any breach of aforesaid provisions by [Name of the bidder] or its employees or authorized representatives, shall entitle GoI to take all or any one of the following actions, wherever required:-

- i) forfeiture of performance guarantee; ii) to immediately call-off the pre-contract negotiations without assigning any reason or providing any compensation to [Name of the bidder].
- iii) to debar [Name of the bidder] from participating in any bidding process in future for a minimum period of 5 years.
- iv) to cancel all or any other contract signed with [Name of the bidder].

The Gol will be entitled to initiate the criminal liabilities as well.

Seal with Signature of the authorized signatory of the bidder

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is entered into on the _____ day of _____, 2018 by and between:

REC Limited, a Government Company having its Registered Office at REC Limited, Core-4, SCOPE Complex, 7, Lodhi Road,

New Delhi-110003, India (hereinafter referred to as REC)

and

_____, having its Registered Office at _____ (hereinafter referred to as “Valuer”).

WHEREAS The Government of India (GOI) intends to disinvest its existing 52.63% of total paid up equity share-holding in REC Limited (REC) through strategic sale to Power Finance Corporation Limited (PFC) along with transfer of management control.

DIPAM, on behalf of Government of India, have engaged the services of an Asset Valuer to carry out a diligent and fair valuation of REC for the limited purpose of its disinvestment with continuance of all of its existing business operations (called ,”the Purpose”);

AND WHEREAS, the Valuer requires information from REC and its subsidiaries and affiliates in order to enable the Valuer advise the GOI;

AND WHEREAS REC (including its subsidiaries and affiliates) have developed or own information which is an intellectual property (including, but not limited to, software, databases, financial, technical, operational, marketing, administrative and/or business information, process and procedures, records, reports, etc) that it deems confidential and/or proprietary, the unauthorized usage or disclosure of which would be detrimental to its business interests (together, called “information”);

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, both parties agrees as follows:

1. As used herein, "Information" means all and any information pertaining to REC or its subsidiaries or affiliates or relating to its business, existing and/or communicated in any form, including, but not limited to, oral, written, graphic, electronic, or electromagnetic forms, which is disclosed by REC to Valuer pursuant to the Purpose.
2. Valuer will treat any and all Information disclosed by REC as confidential (whether or not marked "confidential" or "proprietary") and will safeguard it in the same manner that the Valuer treats its own Proprietary Information of like kind, but will use no less than a reasonable degree of care and confidentiality. Valuer will only use such Information solely in connection with the purpose for which it was disclosed hereunder, and will not disclose, distribute, or disseminate Information in any way, to anyone except as provided in this Agreement. Upon discovery by Valuer of any unauthorized use or disclosure, Valuer shall notify REC immediately and shall take all steps necessary to prevent further unauthorized use or disclosure.
3. Valuer further agrees that: (i) only Valuer's employees with a clear and defined need to know shall be granted access to REC's Information; (ii) REC's Information shall not be disclosed to any third party without the prior written approval of REC; (iii) permitted disclosures to third parties shall be subject to all of the provisions and restrictions contained in this Agreement; (iv) no copies shall be made of REC's Proprietary Information (whether oral, written, printed, graphic, electronic, or electromagnetic) without the prior written approval of REC; (v) all copies kept by Valuer shall be marked by Valuer with an appropriate legend indicating that such information is REC's Confidential Information; and (vi) Valuer shall not make use of any of REC's Information for any purpose except that which is expressly contemplated by this Agreement.

4. The Information disclosed by REC shall be treated as confidential and safeguarded by Valuer for a period of **Ten (10) years** after disclosure, unless the Information is:
 - (a) generally available to the public, through no fault of Valuer or its employees and without breach of this Agreement; or
 - (b) already in the possession of Valuer without any restriction of confidentiality and has been obtained legitimately and prior to any disclosure hereunder; or
 - (c) developed independently by employees of Valuer without breach of this Agreement and without referring to or relying upon any information disclosed by REC hereunder; or
 - (d) is approved in writing for release or disclosure without restriction by REC.

5. Valuer specifically acknowledges and agrees that it may be exposed to Information, whether REC's or a third party's, that REC did not intend to disclose and/or that REC did not intend to receive, merely as a result of Valuer's contact with REC's premises or employees. If, in the course and scope of its contact with REC, Valuer inadvertently receives any such information, Valuer will protect such information from any further disclosure and will not use such information in any way and will return such Information to REC immediately upon its discovery.

6. Valuer will maintain in force policies that require its employees to treat and maintain REC's Proprietary Information in a confidential manner.

7. This Agreement shall be for a period of One Year from the date of its execution. However, the obligations to maintain confidentiality and the right to enforce the same by REC shall survive any

expiration or termination of this Agreement, for a period of 10 years as already stated earlier.

8. Valuer shall return to REC, or at REC's request, destroy any and all Information immediately upon REC's written request.
9. Except as specifically provided in this Agreement, neither party shall disclose the existence or the nature of the discussions between the parties relating to any Information without the prior written authorization of the other party.
10. Each party acknowledges and agrees that a breach of this Agreement by Valuer will cause REC irreparable harm, that damages is not an adequate remedy, and further acknowledges and agrees that REC is entitled to injunctive relief in any court of competent jurisdiction to prevent breach or to halt a further or continuing breach. Each party also acknowledges and agrees that such remedy is cumulative and in addition to any other remedy REC may have at law or in equity.
11. This Agreement and all obligations and rights arising hereunder shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and its provisions may be modified, amended or waived only by written agreement of the parties.
12. This Agreement shall be governed by and construed in accordance with the laws of India.

Both parties acknowledge that they have read this Agreement, understand it and agree to be bound by its terms and further agree that

this Agreement is the complete and exclusive statement of the agreement between the parties with respect to the subject matter hereof, which supersedes all proposals, and all other communications, regardless of the form thereof, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day first written above.

REC	Valuer
Name: _____	Name: _____
Designation: _____	Designation: _____
Date: _____	Date: _____