



F.No.3/3/2022-DIPAM-V
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT & PUBLIC ASSET MANAGEMENT
(DIPAM)

Room No.202, 2nd Floor,
Block No.11, CGO Complex,
Lodhi Road, New Delhi-110 003.
Dated the 11th March, 2022

Subject:- Request for Proposal (RFP) for engagement of Asset Valuers for Strategic Disinvestment of Rashtriya Ispat Nigam Limited ("**RINL**").

Department of Investment & Public Asset Management (DIPAM), Ministry of Finance invites bids/proposals for engagement of Asset Valuers for Strategic Disinvestment of Rashtriya Ispat Nigam Limited (RINL) - a CPSE under the administrative control of the Ministry of Steel (Government of India).

2. The complete details regarding scope of work, eligibility conditions, bid evaluation process, format for submission of technical and financial bids etc. is mentioned in this "Request for Proposal (RFP)" Document at **Annexure-B**.

3. Interested and eligible agencies, who meet the prescribed requirement, are advised to go through "**Instructions to Bidders for Online Bid Submission**" and submit their competitive bids/offers online through e-procurement system of Government of India (GOI) on Central Public Procurement Portal (<https://eprocure.gov.in/eprocure/app>) only. **No bids/proposals will be accepted in physical/ manual mode.**

4. All prospective bidders are advised to read and understand the terms and conditions of the proposal as detailed in the RFP document before submitting their bids/proposals on the on-line portal as no change is permissible once the bid/proposal is submitted. Bid/offer documents may be scanned with 100 dpi with black and white option which helps in reducing size of the scanned document.

5. Not more than one bid/proposal shall be submitted by one bidder/(s) having business relationship. Under no circumstance will father and his son/(s) or other close relations who have business relationship with one another (i.e. when one or more partner/(s)/director/(s) are common) be allowed to bid/offer for the same

contract as separate competitors. A breach of this condition will render the tenders of both parties liable to rejection.

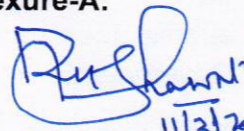
6. RFP document can be pre-viewed and downloaded from Central Public Procurement Portal (CPPP) website <https://eprocure.gov.in/eprocure/app> as well as from the websites of Department of Investment & Public Asset Management (DIPAM), Ministry of Steel and RINL under appropriate section.

7. Bidder who has downloaded the RFP document from Central Public Procurement Portal (CPPP) website <https://eprocure.gov.in/eprocure/app> shall not tamper/modify the tender form including downloaded price bid template in any manner. In case if the same is found to be tempered/modified in any manner, tender will be completely rejected and EMD would be forfeited and bidder shall be liable to be banned from doing business with DIPAM.

8. Bidders are advised to visit the above website regularly till closing date for submission of bids to keep themselves updated about any change/modification in the RFP document which will be intimated through this website (<https://eprocure.gov.in/eprocure/app>) only by corrigendum/addendum/amendment.

9. Bids will be opened as per date/time as mentioned in the Tender Critical Date Sheet. After online opening of Technical-Bid the results of their qualification as well Price-Bid opening will be intimated latter.

10. The schedule of important information and timelines / crucial dates for various activities related to this RFP document is provided in Table at **Annexure-A**.


11/3/2022

(Rajesh Kumar Singh)

Under Secretary to the Government of India,

Tele: 011-2436 8532

Copy to:

Shri Amit Pradhan, ED, IBBI, New Delhi-110 001 [E-mail: amit.pradhan1@ibbi.gov.in] **with request to upload the RFP Document on the website of IBBI and also circulate the same amongst Registered Valuer Entities [RVEs].**

SCHEDULE OF IMPORTANT INFORMATION AND TIMELINES/CRUCIAL DATES

S. No.	Head	Description
1.	Tender Submission Mode	Bids/proposals are being invited through e-procurement system of Central Public Procurement Portal of Government of India (https://eprocure.gov.in/eprocure/app) only. No physical / manual bids / offers shall be accepted.
2.	Availability of RFP Document	RFP document can be pre-viewed and downloaded from the Central Public Procurement Portal of Govt. of India at www.eprocure.gov.in as well as from the websites of Department of Investment & Public Asset Management (DIPAM), Ministry of Steel and RINL under appropriate section after its publication.
3.	Date for publication of RFP document on CPPP	11.03.2022 (1730 Hrs.)
4.	RFP document download start date	11.03.2022 (1730 Hrs.)
5.	Bid/offer submission start date	11.03.2022 (1730 Hrs.)
6.	Online clarification start date	11.03.2022 (1730 Hrs.)
7.	Online clarification end date	15.03.2022 (1730 Hrs.)
8.	Pre-bid meeting	16.03.2022 (1500 Hrs.)
9.	Bid/offer submission end date	04.04.2022 (1500 Hrs.)
10.	Technical Bid Opening date	05.04.2022 (1500 Hrs.)
11.	Venue (Bid Opening)	Technical/Financial bids/proposals will be opened within e-procurement module of Central Public Procurement Portal of Govt. of India (https://eprocure.gov.in/eprocure/app).
12.	Presentation by Shortlisted bidders	TO BE DECIDED (Will be intimated separately)

13.	<p>Earnest Money Deposit (EMD)</p> <p>(Registered MSMEs are exempted from payment of EMD as per extant instructions)</p>	<p>An earnest money (EMD) of ₹ 1,00,000 (Rupees One Lakh Only) in the form of Bank Draft/Bankers Cheque drawn in favour of Pay & Accounts Officer, DIPAM payable at New Delhi may be submitted in original through Speed Post / Courier / Registered Post / By hand so as to reach Rajesh Kumar Singh, Under Secretary, Department of Investment & Public Asset Management (DIPAM), Room No.202, 2nd Floor, Block No.11, CGO Complex, Lodhi Road, New Delhi-110 003 before 04.04.2022 (1500 Hrs) failing which bid / proposal shall not be accepted or electronically transferred into Government Account No.34663044146, IFS Code: SBIN0000625, SBI, Central Secretariat Branch, New Delhi by using Inter Bank RTGS Code (R-42). The earnest money will be refunded to the unsuccessful bidder after finalization of the contract.</p>
14.	<p>Performance Guarantee (PBG) Bank</p>	<p>Successful bidder will have to deposit performance security <u>@ 10 % of contract value or ₹ 1.00 lakh whichever is higher</u> in the form of Bank Guarantee for the period of contract on year-to-year basis. Performance Security money will be forfeited in case of violation of any of the terms and conditions of the RFP document.</p>

REQUEST FOR PROPOSAL (RFP) DOCUMENT

Engagement of Asset Valuers for Strategic Disinvestment of Rashtriya Ispat Nigam Limited (RINL) - a CPSE under the administrative control of Ministry of Steel (Government of India) - Request for Proposal.

1. INTRODUCTION

1.1 The CCEA, on 27.01.2021, has 'in principle' approved 100% disinvestment of Gol shareholding in RINL alongwith RINL's stake in its Subsidiaries/Joint Ventures through strategic disinvestment by way of privatisation. The timing of disinvestment, pricing, the terms and conditions of sale, inclusion or otherwise of Mines/ Subsidiaries/stake/(s) in Joint Ventures in the transaction and any other issue(s) related to this transaction will be decided separately by the Government.

1.2 Rashtriya Ispat Nigam Limited (RINL) popularly known as Visakhapatnam Steel Plant (VSP), a Central Public Sector Enterprise (CPSE) was incorporated initially as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh ("RoC") on February 18, 1982 in Visakhapatnam. Subsequently, RINL was converted into a public limited company and a fresh certificate of incorporation was issued by the RoC on May 10, 2012. RINL is a Schedule-'A' Navratna company in Steel Sector, under the administrative control of Ministry of Steel (MoS), Government of India (Gol) with 100% shareholding.

2. Proposal:

2.1 The Department of Investment & Public Asset Management (DIPAM), on behalf of Government of India (Gol), requires the services of a reputed Asset Valuer Entity - registered with Insolvency & Bankruptcy Board of India (IBBI) to carry out the company's assets valuation to act as Asset Valuer and assist the Government in the process of Strategic Disinvestment of **Rashtriya Ispat Nigam Limited (RINL)** under the administrative control of Ministry of Steel, till the completion of initiated transaction unless called off by the Government.

2.2 All interested entities, with desired experience in valuation, and which fulfills the conditions prescribed in the 'Eligibility Criteria', may submit their 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 RINL, Subsidiaries and Joint Ventures including their Plant & Machinery, Land & Buildings, Furniture & Fixtures, Civil Infrastructure and associated intangibles on "as is where is basis" and keeping in view the objective of disinvestment.

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

- a. Clearly identify, describe and list all the properties and assets, including intangibles such as Trademark, title to property rights, being valued, as provided by the Company. Valuation of Intangibles (if applicable) is to be given/ indicated separately.
- b. Exercise due diligence and take a full and comprehensive view of relevant data while making a 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, including verifications and updating of their status etc.
- c. Collect information and conduct due diligence of matters like market information, the physical condition of the assets, 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. Prepare Equity Value (Business Valuation) under Asset Valuation Method 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 special assumptions, caveats or limiting conditions with supporting empirical data that may alter opinions and conclusions or influence valuation. However, such special assumptions, caveats or limiting conditions shall be in accordance with the IBBI Guidelines dated 01.09.2020 as amended/modified from time to time.
- g. Report to be made as per Valuation Standards followed by India or International Valuation Standards as applicable on date and in coherence with DIPAM Guidelines.
- h. Valuation of inventory as well as other possible assets by physical inspection.
- i. Provide sufficient information in the Report to enable the reader to fully

understand it, place reliance on the supporting data, reasoning, analysis and conclusions underlying Asset Valuer's findings, opinions and conclusions indicating implication on final valuation in quality and quantity both.

- j. Completely and understandably set forth the valuation report in a manner, which will be comprehensive, accurate, and not in any manner misleading.
- k. The report of Asset Valuation by Asset Valuer will also present the value of the Assets on Net Assets valuations principle and based on which equity value will also be reported under the Asset Valuation methodology. For this purpose, TA will share estimate of all liabilities including the related cost involved in closure and liquidation, such as the estimated cost of VRS etc. from the company through the Transaction Advisers. For the purpose of estimating the cost of breach of contracts, if any; the legal advisor shall carry out legal due diligence of all contracts and covenants and provide inputs to the TA. The Asset Valuer will incorporate this estimate and calculate the final equity value (business valuation) under asset valuation method and submit a comprehensive single report to government in sealed cover to be examined for the purpose of fixation of reserve price.
- l. Before preparation of the inception reports for valuation, TA and AV shall jointly work on inter-se assigning among themselves, the responsibility of valuing individual items of Assets and liabilities of balance sheet under the Asset valuation method. Any issue requiring direction of the government shall be brought before the Inter-Ministerial Group (IMG) for decision. The inception reports of Asset Valuation (by the Asset Valuer) and business valuation (by the Transaction Advisor) shall clearly mention individual items of Assets and liabilities of balance sheet to be valued by them.
- m. The Valuer will be responsible for preparing a draft report (without giving specific figures of 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. The valuer shall submit two copies of valuation report along with an electronic copy.
- n. The Valuer shall strictly abide by the Ethics and Integrity clauses prevalent Nationally/Internationally and follow National/International Valuation standards in similar Agreements and in coherence with DIPAM Guidelines. 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.

o. The Valuer shall sign a confidentiality agreement with **RINL** 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-VI** and shall sign a confidentiality agreement with **RINL** as per the format given in **Annexure-VII**.

p. 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 to the above, the Valuation Report should, *inter alia*, provide the following:

- (i) Inception Report.
- (ii) Adopted approach & methodology.
- (iii) Analytic professional assessment including relevant considerations taken into account in valuation of assets and how these have been considered in arriving at the values.
- (iv) Value of the fixed assets covering building, plant and machinery and other fixed assets indicating the following:
 - (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, depreciation, additional cost of repair and renovations etc).
 - (d) **Plant and machinery**- Specification, condition, computation of value (such as details regarding current costs, depreciation for past usage, cost required for repair and renovations, scrap value factoring into the obsolescence in technology, etc.).
 - (e) **Other Assets**- Including projects under construction which the valuer in his own judgment feels is worth indicating Value and Realizable Value for above assets must be shown separately.
 - (f) **Other Fixed Assets**- Specification, condition, computation of value (such as details regarding current costs, depreciation for past usage, scrap value factoring into the obsolescence in technology, etc.).

- (v) Any other Assets (including the intangibles assets), which the Valuer in their own professional judgment consider worth indicating. Market 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 (ToR) 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 Provide post disinvestment support relating to valuation issues.

3.6 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. Bidder should be a Company / Limited Liability Partnership (LLP) Firm / Registered Partnership Firm who is registered with the Insolvency & Bankruptcy Board of India (IBBI) for all the 3 (three) asset classes [viz. Land & Building, Plant & Machinery and Securities and Financial Assets].

Note (1): A self attested copy of the certificate of registration issued by IBBI may be furnished.

- II. Bidder should have successfully completed at least 1 (one) valuation assignment of the assets of similar nature during the period from 01.04.2018 till one day prior to bid submission end date of a value of ₹ 5000 Crore (Rupees Five Thousand Crores Only) or more.

Note (1): "Assets of similar nature" means assets comprising of at least two or more classes in single valuation assignment/transaction.

Note (2): A self attested copy of the certificate from the client of the interested party to be produced for successful completion of the asset valuation.

- III. 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 criteria:

Cat.	Particulars	Weightage
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 Steel Sector, if any. (10 Marks)</p> <p>(ii) Capability, capacity, experience and expertise in handling similar assignments. (25 Marks)</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. (10 Marks)</p>	45
B	<p><u>Infrastructure and Manpower</u></p> <p>(i) Details of infrastructural facilities like office, manpower, etc. (10 Marks)</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. (10 Marks)</p> <p>(iii) Details with credentials of permanent/temporary expert having experience of doing valuation of mines & minerals. (5 Marks)</p>	25
C	<p><u>Strategy for Valuation</u></p> <p>(i) Indicate strategy for valuation and demonstrate ability to deliver in a tight timetable, committing personnel and indicate the timeline.</p>	30

6. PRE-BID MEETING

6.1 The interested parties are required to send in their queries, if any, **positively by 15.03.2022 (Tuesday) by 1730 hrs** through e-mail before pre-bid meeting to the officer authorized to receive the bids/proposals as given in Para-7.2 below. The Pre-bid Meeting shall be held as per schedule given in Critical Date Sheet through video conference. The link for video conference shall be made available only to bidders who have sent the queries till date as mentioned in the Critical Date Sheet.

7. BID SUBMISSION

7.1 Proposals are to be submitted on-line in 2 (two) separate covers as per the following instructions:

(i) Cover-1 (Online)

- (a) Covering letter on Letter Head of Company/Firm for bid/proposal submission by the Bidder;

- (b) Authority letter authorizing any person to sign the proposal and other documents on behalf of the bidder.
- (c) General Particulars, duly filled-in and signed by the authorized signatory on behalf of the Bidder, as per the Format at **Annexure-I**.
- (d) A copy of the self attested copy of registration certificate issued by IBBI in favour of bidder;
- (e) Details of bank draft / pay order / digital payment (to be credited directly to Govt. Account No.34663044146, IFS Code: SBIN0000625, SBI, Central Secretariat Branch, New Delhi by using Inter Bank RTGS Code R-42) of ₹ **1,00,000 (Rupees One Lakh Only)** in favour of Pay & Accounts Officer, DIPAM payable at New Delhi as Refundable Fee/Earnest Money Deposit. **In case of digital payment, a proof of same may be attached. Further, registered MSME's shall be exempted from payment of EMD as per extant instructions;**
- (f) Self attested copy/(ies) of certificate/(s) from the client in support of successful completion of the asset valuation assignment of value of ₹ 5000 Crore (Rupees Five Thousand Crores Only) or more during the period from 01.04.2018 till one day prior to bid submission end date.
- (g) Confidentiality Undertaking in the prescribed format at **Annexure-II**.
- (h) (i) Certificate of unconditional bid; (ii) Undertaking to effect that in case of selection and appointment, a Performance Bank Guarantee amounting to 10% of the fee quoted or ₹ 1.00 lakh whichever is higher, will be given in the form of a demand draft or bank guarantee, which shall be initially valid for a period of 1 (one year) and renewable on year to year basis till the completion of the transaction; and (iii) Undertaking to effect that in case of selection and appointment, Integrity and Ethics Undertaking (in Format at Annexure-VI) and Confidentiality Agreement (in Format at Annexure-VII) shall be executed; in format at **Annexure-III**.
- (i) Affidavit regarding no conviction and no conflict of interest, as per **Annexure-IV**.
- (j) Technical bid / proposal in the format given in Para-5 above for evaluation of technical credentials of the bidder.
- (k) Audited Financial reports of last 3 years or financial reports of available year/s, in case of entities incorporated during the last 3 financial years.

(ii) **Envelope-2 (Online):**

Bidders should submit their Financial Bids/Quotes in BOQ format pre-loaded on CPP Portal. Format of BOQ is given herewith **at Annexure-V** only for viewing and reference.

Note: The **Integrity & Ethics Undertaking (in Format at Annexure-VI)** and the **Confidentiality Agreement (in Format at Annexure-VII)** are required to be executed by the successful bidder at the time of appointment as Asset Valuer. Bidders are required only to submit requisite undertakings at this stage.

7.2 For any clarifications or details, prospective bidders may contact **Shri Rajesh Kumar Singh, Under Secretary, Ministry of Finance, Department of Investment and Public Asset Management (DIPAM), Room No.202, 2nd Floor, Block No.11, CGO Complex, Lodhi Road, New Delhi-110 003** on (Tel.011-2436 8532 or E-Mail: rajesh.kumar@nic.in).

7.3 The bids/proposals will be opened by the Tender Opening Committee in the presence of the bidders **as per schedule given in critical date Sheet** through video conference or alternatively in Committee Room, Department of Investment and Public Asset Management (DIPAM), Room No.421, 4th Floor, Block No.14, CGO Complex, Lodhi Road, New Delhi-110 003.

7.4 Financial Bids 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 eligible bidders would be required to demonstrate their credentials before a duly constituted Selection Committee (SC) through a presentation, covering the areas/criteria listed in Para-5 above, and to make available a copy of the presentation in soft form through e-mail to the officer mentioned in Para-7.2 above before making the presentation. **The date, time and venue for the presentation will be notified separately in due course on website of DIPAM (i.e. <https://dipam.gov.in>).**