

PRELIMINARY INFORMATION MEMORANDUM (PIM)
AND
GLOBAL INVITATION OF EXPRESSION OF INTEREST
FOR
PROPOSED STRATEGIC DISINVESTMENT OF 96.56% EQUITY SHAREHOLDING
OF
VIGNYAN INDUSTRIES LIMITED (VIL)
HELD BY
BEML LIMITED

Strategic Disinvestment with transfer of management control



Transaction Advisor to BEML Limited, Ministry of Defence, GoI

September 2019

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The PIM and Eoi has been prepared by Resurgent upon information available from public sources and from the Company, believed to be reliable to assist the recipients in making their own evaluation of VIL and does not purport to be all-inclusive or to contain all of the information that may be material to the recipients' decision to enter into the Transaction.

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The PIM and Eoi is divided into sections & sub-sections only for the purpose of reading convenience. Any partial reading of this PIM and Eoi may lead to inferences, which may be at divergence with the conclusions based on the entirety of this PIM and Eoi. Further, by accessing or reviewing a copy of this PIM and Eoi, the recipient accepts the terms of this Disclaimer Notice, which forms an integral part of this PIM and Eoi.

All acts, deeds and things done or caused or intended to be done, by BEML, the Company and Resurgent hereunder are based on and in reliance of your acceptance of the terms and conditions of this Disclaimer Notice.

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SECTION 1: ADVERTISEMENT

BEML LIMITED MINISTRY OF DEFENCE

Global Invitation for Expression of Interest (“Eoi”) for proposed Strategic Disinvestment of 96.56% equity shareholding of BEML Limited in Vignyan Industries Limited (“VIL”).

The Ministry of Defence (“**MoD**”), Government of India (“**GoI**”) intends to disinvest 96.56% equity shareholding of BEML Limited (formerly known as Bharat Earth Movers Limited) (“**BEML**”) in Vignyan Industries Limited (“**VIL**”) through strategic sale with transfer of management control. VIL is accredited with ISO 9001:2008 Certification. It is also a class – A foundry and certified by Research Design and Standards Organisation (RDSO) (Certification is under renewal). VIL was incorporated on 25.09.1963 by two individual promoters and subsequently BEML took over the management of VIL in October 1984. VIL manufactures steel castings suitable for engineering, mining, railways and infrastructure industries and has single manufacturing facility located in Tarikere to produce steel castings with combined licensed production capacity of 5000 tonne per annum of components. BEML seeks Eoi from the interested parties for acquisition of 96.56% equity shares of VIL. The disinvestment process is to be implemented through physical open competitive bidding route. Accordingly, Eois are invited at the address mentioned below up to 03.00 PM on or before **21.10.2019**. A copy of the Preliminary Information Memorandum (“**PIM**”) and invitation of Eoi are placed on the websites www.resurgentindia.com, www.bemlindia.in, www.mod.gov.in, and www.dipam.gov.in. For more details, interested parties may visit the above websites or contact Transaction Advisor, Mr. Akhilesh Raina, Resurgent India Ltd, 903-906, 9th Floor, Tower-C, Unitech Business Zone, Sector-50, Nirvana Country, Gurugram-122018, Tel. +918745050509. In future, any amendments/extension in Eoi will be uploaded on the above websites only.

SECTION 2: PRELIMINARY INFORMATION MEMORANDUM

FOR INVITING EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF 96.56% EQUITY SHAREHOLDING OF VIL HELD BY BEML

2.1 INTRODUCTION

2.1.1 VIL – DISINVESTMENT

Vignyan Industries Limited (“VIL” or “Company”) was incorporated on 25.09.1963 by two individual promoters. BEML Ltd., formerly known as Bharat Earth Movers Limited (“BEML”), took over the management in October 1984 upon its acquiring 69% of the paid-up share capital of the Company. During 1997, BEML extended a loan of Rs. 2.43 crores to VIL and the same has been converted into 2,43,500 equity shares of Rs. 100/- each. Presently, 2,69,376 equity shares of Rs. 100/- each representing 96.56% of the paid-up capital of the Company is held by BEML. VIL’s registered office is situated at Haliyur, B.H. Road, Tarikere Post - 577 228, Chikkamagaluru District, Karnataka.

The Company manufactures steel castings suitable for engineering, mining, railways and infrastructure industries. The Company has single manufacturing facility located in Tarikere to produce steel castings of various specifications and supplies mainly to BEML, the holding company. The Company has installed production capacity of around 4000 MT per annum and producing various types of carbon steel, alloy steel and manganese steel casting of different sizes with maximum weight up to 2 MT per casting. VIL is accredited with ISO 9001:2008 certification. It is also a class – A foundry and certified by Research Design and Standards Organisation (RDSO) (Certification is under renewal).

The Board of Directors of VIL are nominated by BEML from time to time. VIL is being headed by the senior level officer of BEML and presently BEML had deputed 6 officers to VIL for carrying out the activities of VIL. The Company has 98 employees as on 31.03.2019.

The Ministry of Defence (“MoD”), Government of India (“GoI”) has 'in-principle' decided to disinvest its entire equity shareholding representing 2,69,376 shares held by BEML in VIL through strategic disinvestment with transfer of management control (“Strategic Disinvestment” or “Transaction”).

VIL has 21.01 acres of freehold land at Tarikere (Chikkamagaluru district, Karnataka). Out of 21 acres and 12 guntas, the factory is built on an area of 10 acres and 23 guntas and transit house / guest house is constructed over 0.75 acres (approx. 30 guntas) of land. Remaining 10.00 acres of land set aside for Heli-pad shall be disposed by way of scheme of arrangement such as merger, demerger, sale, transfer or any other mode and the same shall not form a part of this Transaction.

BEML has engaged Resurgent India Limited as its transaction advisor (“Transaction Advisor”) for providing advisory services and managing the Strategic Disinvestment.

Through this preliminary information memorandum (“PIM”), the Transaction Advisor is providing the Interested Parties (“IPs”) with limited and selected information pertaining to VIL for submitting their EoI’s to the Transaction Advisor, in respect of the proposed Strategic Disinvestment.

The PIM contains the following:

- Company overview
- Company financials
- SWOT Analysis

The invitation of Eoi contains the following:

Section	Content
3.1	Proposed Transaction
3.2	Eligibility Criteria for IP
3.3	Instruction For Submission of Eoi
3.4	Conditions /Circumstances which may lead to Disqualification of IPs
4	Annexures to invitation of Eoi
Annexure: 1	Expression of Interest for Sole IP
Annexure: 2	Expression of Interest for Consortium of IPs.
Annexure: 3	Statement of Legal Capacity for Sole IP.
Annexure: 4	Statement of Legal Capacity for Consortium of IPs.
Annexure: 5	Request for Qualification by Sole IP including each of the Consortium member, if applicable, along with supporting documents.
Annexure: 6	Confidentiality Undertaking
Annexure: 7	Power of Attorney for Sole IP or Consortium of IPs.
Annexure: 8	Consortium Agreement, if applicable.
Annexure: 9	Declaration regarding legal proceedings by Sole IP and each Consortium member, if applicable.
Annexure: 10	Declaration regarding Confidentiality.
Annexure: 11	An undertaking for lock-in of share-holding for 3 years by Sole IP.
Annexure: 12	An undertaking for lock-in of share-holding for 3 years by Consortium, if applicable
Annexure: 13	Affidavit certifying the correctness of documents
Annexure: 14	DIPAM Guidelines vide OM No. 3/9/2016-DD-II-B Dated: 28 th September, 2017 for qualifications of Bidders
Annexure: 15	Criteria for Employees participation in the Transaction
Annexure: 16	Power of Attorney for Employees Participation.
Annexure: 17	DIPAM Guidelines for bidding by Employees.

2.1.2 Contact Details

All communications, inquiries, clarifications and requests for information should be directed to following:

Akhilesh Raina

Sr. Manager

Tel: 0124-4754550

Mob: +91 8745050509

Vildisinvestment@resurgentindia.com

The PIM and invitation of Eoi are placed on the websites www.resurgentindia.com, www.bemlindia.in, www.mod.gov.in, and www.dipam.gov.in. Interested Parties (IPs) should note that all correspondence, enquiries, clarifications in relation to the Transaction should be routed and addressed only through the above mentioned representative(s) of the Transaction Advisor. Neither BEML/MoD nor VIL shall be responsible in any manner to reply to such communication directly to IPs.

2.2 COMPANY OVERVIEW

2.2.1 BACKGROUND

Vignyan Industries Limited (“VIL” or “Company”) was incorporated on 25th Sept’ 1963 as a private company by two individual promoters at Tarikere, Chikamagalur district of Karnataka state. Due to poor performance, the plant was shut-down during Dec’ 1974. During July’1975, the Government of Karnataka took over the administrative control of the unit. In Oct’1984, the Department of Industries and Commerce, Government of Karnataka requested BEML to takeover VIL. Accordingly, on 12th Oct’ 1984, VIL became a subsidiary of BEML. BEML's shareholding as on date is 2,69,376 equity shares constituting 96.56% of the share capital of VIL.

VIL is producing various types of carbon steel, alloy steel and manganese castings of different sizes (with maximum weight up to 2 MT per casting) against orders from BEML to meet the requirement of castings of its three business groups viz., Defence, Mining & Construction and Rail & Metro.



VIL has combined production capacity of around 4000 MT per annum. VIL has ISO 9001:2008 certification and the RDSO class ‘A’ certification renewal is under process.

The Company has been exploring new business opportunities and in the process VIL has manufactured and supplied special alloy ballast castings to Mishra Dhatu Nigam Limited, another PSU.

VIL has 21 acres and 12 guntas of freehold land at Tarikere (Chikkamagaluru district, Karnataka). Out of 21 acres 12 guntas, the factory is built on an area of 10 acres 23 guntas and transit house / guest house is constructed over 0.75 acres (approx. 30 guntas) of land. Remaining 10.00 acres of land set aside for Heli-pad shall be disposed by way of scheme of arrangement such as merger, demerger, sale, transfer or any other mode and the same shall not form a part of this Transaction.

Some of the major facilities are listed below:

2MT Induction Melting Furnace – 2 nos.	Sand storage bunker (500 MT capacity)	20MT PLC Controlled Heat treatment furnace (oil fired) – 1 no.
Admin Block, Quarters, Canteen etc	72” dia Swing Table-Twin Door Shot Blasting Machine	BARC approved RT facility
No bake fast loop automated moulding system and green sand molding system	Fettling shop	Chemical and Mechanical testing laboratory
Pattern shop	Stores	

VIL has installed and commissioned 'Fast Loop No-Bake' facility and the same has helped in manufacture and supply of quality castings apart from reduction in disposal of used sand. Recently, a new spectrometer BROOKER GMBH, Green sand moulding Machine, 3T and 5T EOT Cranes have also been commissioned.

VIL's requirement of power is being met by the supply from government agency and power sanctioned is 2600 KVA. To meet any unforeseen interruption, the Company has installed Diesel Generator (DG) sets. To meet the requirements of water, the Company has 3 bore-wells. For water storage purpose, the Company has an overhead tank of approximately 15,000 liters capacity. For industrial purpose, there is an underground storage tank of approximately 20,000 liters capacity. The administration block has good IT infrastructure facilities and is connected with all divisions of BEML through SAP- ERP. The Company has skilled / trained man power required for foundry operation.

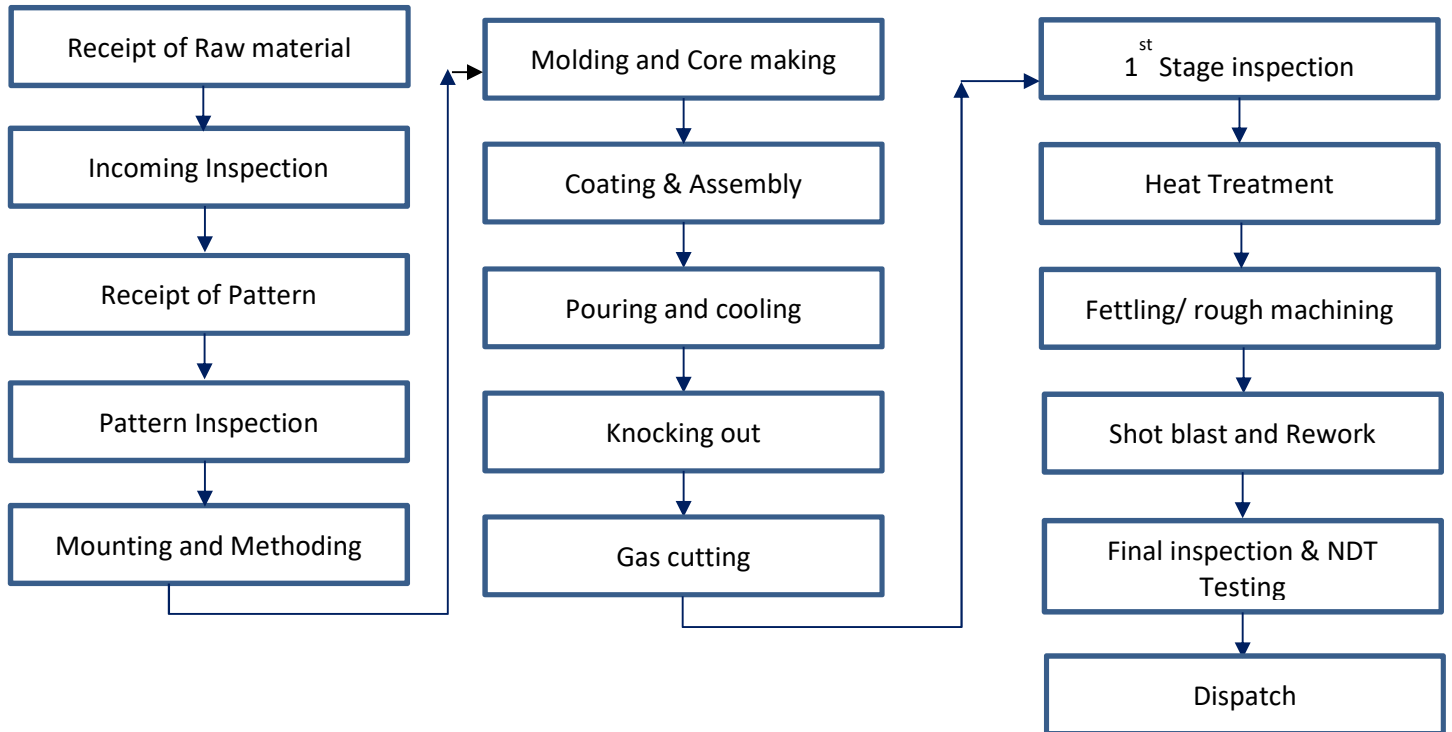
VIL, for the purpose of security has built compound walls, gates and fencing, and is provided with round the clock security. Also, there is CCTV camera arrangements at shop floor and the main gate of the factory. Factory premises has vehicle parking facility, canteen, underground drainage system and in some portions, has an open box drainage system.

Existing Manpower:

Officers	: 11
Employees	: 75
ITI Trainees	: 12 (under training for absorption)
Contract Labourers	: 175

As of 31st March 2019, VIL has paid up equity share capital of **Rs. 2,78,96,600/-**.

2.2.2 Foundry Process Flow Chart



2.2.3 BOARD OF DIRECTORS with effect from 19.06.2019

Name	Designation
Shri. M V Rajasekar	Nominee Director/Chairman
Dr. S. Venkateswaran	Independent Director
Shri. R. Panneer Selvam	Nominee Director

2.2.4 CAPITAL STRUCTURE AS ON 31.03.2019

Particulars	Number of shares	Value/share (INR)	Total value (INR)
Authorised Share Capital			
Equity share capital	3,80,000	100/-	3,80,00,000/-
9.5% Redeemable cum preference shares	20,000	100/-	20,00,000/-
Total	4,00,000	100/-	4,00,00,000/-
Issued, subscribed and paid up share capital			
Issued			
Equity share capital	2,83,500	100/-	2,83,50,000/-
Subscribed & Paid up			
Equity share capital	2,78,966	100/-	2,78,96,600/-

2.2.5 SHAREHOLDING PATTERN AS ON 31.03.2019

S. No	Name of the shareholder	Number of shares held	%age shareholding
1.	BEML	2,69,376	96.56 %
2.	Other	9,590	3.44 %
Total number of shares		2,78,966	100 %

2.2.6 LAND DETAILS

Location of Land	Area of Land
Freehold land at Tarikere (Chikkamagaluru district, Karnataka)	21 Acres and 12 Guntas . Out of 21 Acres and 12 Guntas, the factory is built on an area of 10 acres and 23 guntas and transit house / guest house is constructed over 0.75 acres (approx. 30 guntas) of land. Remaining 10.00 acres of land set aside for Heli-pad shall be disposed by way of scheme of arrangement such as merger, demerger, sale, transfer or any other mode and the same shall not form a part of this Transaction.

2.3 FINANCIALS

2.3.1 BALANCE SHEET EXTRACT (Rs. In Lakhs)

Balance sheet	2018-19 (A)	2017-18 (A)	2016-17 (A)	2015-16 (A)	2014-15 (A)	2013-14 (A)
Assets:						
Tangible assets	633.90	695.34	764.88	789.86	840.39	909.71
Long term loans & Advances	0.00	0.00	0.00	0.00	0.00	180.90
Capital work in progress	17.08	7.74	0.00	0.00	0.00	0.00
Short term loans & advances	0.00	0.00	0.00	0.00	0.00	23.15
Deferred tax assets	40.00	21.34	16.25	0.00	0.00	0.00
Other non-current assets	9.81	5.33	0.00	1.03	0.53	0.00
Other current assets	61.89	66.91	75.47	101.59	130.05	4.25
Inventories	763.25	814.80	533.39	644.40	794.74	926.77
Trade receivables	47.38	2.75	66.55	0.00	0.02	0.00
Cash & cash equivalents	0.36	0.48	0.96	1.30	1.59	1.48
Other financial assets	3.38	0.00	5.00	5.00	5.00	0.00
Total assets	1,577.05	1,614.69	1,462.50	1,543.18	1,772.32	2,046.26
Liabilities:						
Deferred tax Liabilities	0.00	0.00	0.00	20.86	39.93	85.51
Long term provisions	0.00	0.00	0.00	83.84	34.81	0.00
Other Financial liabilities	31.68	29.37	40.16	33.40	27.60	0.00
Short term Borrowings	166.38	69.71	181.94	179.27	193.24	187.07
Short term provisions	379.79	318.77	251.15	160.36	150.10	185.92
Trade payables	444.16	497.88	431.99	342.80	257.29	292.82
Other current liabilities	79.79	150.38	37.62	256.05	653.46	849.61
Current tax liability	9.47	9.47	4.47	6.02	0.00	0.00
Share capital	278.97	278.97	278.97	278.97	278.97	278.97
Reserve & surplus	186.81	260.14	236.19	181.63	136.95	166.36
Total liabilities	1,577.05	1,614.69	1,462.50	1,543.20	1,772.35	2,046.26

2.3.2 P & L EXTRACT (Rs. In Lakhs)

Profit & Loss	2018-19 (A)	2017-18 (A)	2016-17 (A)	2015-16 (A)	2014-15 (A)	2013-14 (A)
Total revenue (Net)	2,719.85	3,041.06	3,329.25	3,225.58	2,745.16	3,291.94
Total expenses	2,644.65	2,868.05	3,218.96	3,064.35	2,728.05	3,342.20
Profit before interest, dep. & tax	75.20	173.01	110.29	161.23	17.11	-50.26
Interest	21.11	23.68	23.98	23.49	23.85	22.23
Depreciation	105.44	106.29	73.05	70.96	77.86	76.38
Profit before tax	-51.35	43.04	13.26	66.78	-84.60	-148.87
Prior Period Adjustment	0.00	0.00	0.00	0.00	0.00	4.10
Tax expense	0.00	0.00	0.00	0.00	0.00	0.00
Current tax	0.00	8.65	2.70	12.71	0.00	0.00
Deferred tax	-18.66	-5.08	-37.11	-19.07	62.92	47.97
Profit (Loss) for the year	-32.69	39.47	47.67	73.14	-21.68	-96.80
Other Comprehensive income	-23.82	-15.52	6.90	-28.46	0.00	0.00
Total Comprehensive Income	-56.51	23.95	54.57	44.68	-21.68	-96.80

2.3.3 Contingent Liabilities not provided for (Rs. in Lakh)

Interest demand of Rs. 10,47,828/- has been raised by the GST Authorities alleging delay in remittance of GST. Since the tax liability had already been paid by the Company but the adjustment of tax liability has not been made in electronic cash ledger, demand for interest has been raised on the Company. The Company is in the process of replying to the notice of demand and the management is reasonably confident of a favorable decision.

2.4 SWOT ANALYSIS

2.4.1 Strengths

- Capability to pour wide range of castings up-to 2 MT per single piece weight.
- Ease of transportation as plant is located in Tarikere on National Highway.
- Stabilized quality system - ISO 9001: 2008 accreditation & RDSO certified class "A" foundry.
- High Manganese Steel alloy was manufactured and supplied.

2.4.2 Weaknesses

- Unscheduled power cuts being common at the factory site.
- Shortage of skilled manpower in Melting and Fettling sections.
- Old and outdated equipments requiring sizeable capital investment for replacement / upgradation.
- Shortage of machining facilities for proof machining / finish machining of castings.

2.4.3 Opportunities

- Increasing demand for castings in Defence & Railways business segments.
- Potential market for high alloy castings.
- Opportunities in metal forming areas including assemblies.
- Supply castings as final components in value addition.

2.4.4 Threats

- Shortfall or non-availability of raw materials like foundry sand, bentonite and steel scrap, etc.
- Steep and frequent increase of raw material prices.
- Stringent and strict environmental norms.
- Huge increase labour cost (Minimum wages).

SECTION 3: INVITATION OF EXPRESSION OF INTEREST

FOR PROPOSED STRATEGIC DISINVESTMENT OF 96.56% EQUITY SHAREHOLDING OF VIL HELD BY BEML

3.1 PROPOSED TRANSACTION

3.1.1 Broad terms of the Transaction

The Ministry of Defence (“**MoD**”), Government of India (“**Goi**”) has 'in-principle' decided to disinvest its equity shareholding representing 2,69,376 equity shares of Rs. 100/- each held by BEML Limited (“**BEML**”) in VIL through strategic disinvestment with transfer of management control (“**Strategic Disinvestment**” or “**Transaction**”).

BEML has engaged Resurgent India Limited as transaction advisor (“**Transaction Advisor**”) for providing advisory services and managing the disinvestment process.

The process for the proposed Transaction has been divided into two stages, namely, Stage I and Stage II.

Stage I:

Through this invitation of EoI, the Transaction Advisor is providing the Interested Parties (“**IPs**”) with instructions for submitting their EoIs to the Transaction Advisor. The EoI would be evaluated in accordance with Eligibility Criteria and Disqualification conditions detailed in this invitation of EoI. Only shortlisted IP(s) will be allowed to participate in stage II subject to the IP entering into a Confidentiality Undertaking (“**Undertaking**”).

Stage II:

Based on evaluation of the EoIs submitted, IPs if shortlisted will be provided with Request for Proposal (“**RFP**”) including draft Share Purchase Agreement, a Confidential Information Memorandum (“**CIM**”) and access to data room, which shall provide further details of VIL and the proposed Transaction in terms of the RFP and subject to the IP entering into a Confidentiality Undertaking as enclosed in Annexure 6. The format, submission of requisite Earnest Money Deposit (“**EMD**”) and other formalities related to the RFP will be communicated to shortlisted IPs in due-course. The shortlisted IPs would be required to undergo a transparent bidding process for acquisition of entire BEML shareholding in VIL, in accordance with the terms of the RFP.

3.2 ELIGIBILITY CRITERIA

The eligibility criteria for the Interested Parties are as follows:

- 3.2.1** Any private limited company or public limited company registered under Companies Act 1956 or 2013, Limited Liability Partnership (“LLP”) or SEBI registered Alternative Investment Fund (“AIF”), or a body corporate, whether registered or incorporated in India or outside India, which is eligible to invest in India under the laws of India (subject to such parties obtaining all statutory approvals by themselves from GoI/ RBI etc. as applicable) either as a sole IP or as part of a Consortium (“Interested Parties” or “IPs”). Central Public Sector Undertakings (“CPSEs”) & central government owned cooperative societies (i.e. where government ownership is 51% or more) are not eligible to participate in the Transaction. (DIPAM OM No: 4(32)/2002-MoDI dated 18.09.2002).
- 3.2.2** Eols by management/employees of VIL directly or independently or in a Consortium or Joint Venture (“JV”) or as a Special Purpose Vehicle (“SPV”) along with a bank, venture capitalist or a financial institution will be considered in accordance with the guidelines issued by DIPAM as per Annexure 15, 16 & 17.
- 3.2.3** IPs shall be in existence for at least 5 financial years as on 31.03.2019
- 3.2.4** Financial Capacity:
- (a) IP should have a minimum net worth[§] of **Rs. 5.00[¶] Crores (“Net Worth”)** as on 31st March 2019.
- (b) IPs must be in profits[∑] (profit after tax) in any 3 out of the last 5 financial years preceding the Eol Due Date.

[§]Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation. (Source: Companies Act 2013)

For Limited Liability Partnerships (LLPs), Net Worth shall mean aggregate value of the partner contribution and all reserves created out of the profits, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

For SEBI registered Alternative Investment Fund (AIF) other than LLPs and companies, Net Worth shall mean maximum permissible investment limit for that particular AIF (as per SEBI (Alternative Investment Fund) Regulations, 2012) in a single investee entity.

Net worth shall be calculated on the basis of the audited financial statements of an IP as on 31st March 2019. In case the annual accounts of an IP for the financial year ending on 31st March 2019 are not audited then the IP shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth. In the case, the financial year of any IP is different than April to March every year; the net worth certificate, profitability certificate and audited financial statements shall be submitted as on date the latest financial year of such IP ends.

The Net Worth of employees shall only be ascertained through a single certificate from a chartered accountant practicing in India, containing the names and net worth of each of the participating employees. The same should not be older than 3 months from the date of the PIM.

[¶]Where the financial statements are expressed in a currency other than the Indian Rupee, the eligible amount as described above shall be computed by taking the equivalent US Dollar at the exchange rates (reference rate as set by Reserve Bank of India) prevailing on the date of issue of Eol

[∑]For the purpose of determining the profitability of the IP, consolidated audited annual accounts for the last 5 years as on 31.03.2019 shall be considered. Clause 3.2.4 (b) shall not be applicable to AIFs and participating employees of VIL.

3.2.5 Conditions for bidding by Consortium

- (a) Consortium of IPs (“**Consortium**”) may also participate in the Transaction. For a Consortium, the combined Net Worth of all the members of the Consortium should meet the minimum Net Worth criteria mentioned in clause **3.2.4(a)** above.
- (b) The Consortium shall not have more than one (1) lead member (the “**Lead Member**”). The Lead Member of the Consortium should have minimum equity contribution of 51% and the minimum equity contribution by other IPs to qualify as a member of the Consortium should be at least 20%.
- (c) The Lead Member shall have minimum Net Worth of Rs. 2.60 Crores and each member of Consortium shall have a minimum Net Worth of Rs. 1.00 Crore as on 31st March 2019.

3.2.6 Other Conditions:

- (a) The selected IP shall lock-in its entire shareholding in the Company for a period of 3 (three) years from the date of completion of the Transaction. The selected IP shall further not dilute its shareholding below 51% in the Company for a period of 3 (three) years from the date of completion of the Transaction.
- (b) In case a Consortium is shortlisted in EoI process and subsequently selected as the successful IP, it shall be required to incorporate a company (Investment Vehicle / SPV) under the laws of India that shall enter into definitive agreements. However, the shortlisted bidder who is a sole entity and subsequently selected as the successful IP may also incorporate a company (Investment Vehicle / SPV) under the laws of India for entering into definitive agreements.
- (c) The shareholding of the SPV shall be same as the shareholding of members in Consortium and the shareholders of SPV shall not sell their stake in the SPV for a period of 3 (three) years from the date of the completion of the Transaction. Shareholders of SPV shall further not dilute their shareholding in the Company below 51% for a period of 3 (three) years from the date of completion of the Transaction.
- (d) The successful IP shall not dispose off the freehold land admeasuring 11 acres 12 guntas situated at Tarikere (Chikkamagaluru district, Karnataka) and factory building appurtenant thereto, that is owned by the Company, for a period of 3 (three) years from the date of completion of the Transaction.
- (e) The IP shall continue to meet with the eligibility criteria and shall also not be disqualified as per the disqualification conditions mentioned in this PIM at all times until the consummation of the Transaction.

Note:

IP shall submit the following documentary evidence in support of clause 3.2.1, 3.2.3, 3.2.4 & 3.2.5.

1. For clause 3.2.1 & 3.2.3

IP’s charter documents defining the constitution of the IP such as Memorandum of Association (“**MoA**”), Article of Association (“**AoA**”), Certificate of Incorporation (“**Col**”) & commencement of business.

2. For clause 3.2.4 & 3.2.5

Statutory auditor's certificate certifying the following:

- (a) Net Worth as on 31st March 2019 along with methodology for calculating the Net Worth; and
- (b) Profit after tax for the 3 years claimed as profitable out of 5 years preceding the Eoi Due Date.

3.3 INSTRUCTION FOR SUBMISSION OF EOI

- 3.3.1** This invitation of EoI along with annexures can be viewed or downloaded from www.resurgentindia.com, www.bemlindia.in, www.mod.gov.in and www.dipam.gov.in. Following receipt of invitation of EoI, IPs are required to respond in the format as detailed in this invitation of EoI along with the payment of **non-refundable fees of Rs. 50,000/- (Rupees fifty thousand only)**.
- 3.3.2** The non-refundable fees of Rs. 50,000/- shall be deposited by the IPs either by way of a demand draft or through electronic mode in the designated account as per the details given hereunder:
- (a) Name of the Account: Resurgent India Ltd.
 - (b) Account number: 50200026623672
 - (c) IFS code: HDFC0003634
 - (d) Name of the Bank: HDFC Bank
 - (e) Branch: Unitech Business Zone, Nirvana Country, Sector-50, Gurgaon-122018, Haryana
 - (f) Swift code: HDFCINBB
- 3.3.3** IPs shall have satisfied themselves of their queries before participating in the proposed Transaction. BEML, Transaction Advisor and VIL reserve the right not to respond to questions raised or provide clarifications sought, in their sole discretion. Nothing in this document shall be taken or read as compelling or requiring BEML, Transaction Advisor and/or VIL to respond to any question or to provide any clarification. No extension of any time and date referred to in this invitation of EoI shall be granted on the basis or grounds that BEML or Transaction Advisor or VIL have not responded to any question/ provided any clarification.
- 3.3.4** EoIs are liable to be rejected by BEML/Transaction Advisor, if IPs fail to meet the eligibility criteria as specified in section titled 'Eligibility Criteria' and/or are disqualified in accordance with the conditions specified in section titled 'Disqualifications' in this invitation of EoI or for any other reason deemed fit, or even without communicating any reason whatsoever.
- 3.3.5** BEML reserves the right to withdraw from the Transaction, to accept or reject any or all EoIs at any stage of the Transaction and/modify the process or any part thereof or to vary any terms at any time without communicating any reason whatsoever. In such an event no financial obligation whatsoever shall accrue to BEML, the Company, the Transaction Advisor or any of their respective officers, employees, advisors or agents.
- 3.3.6** At any time prior to the EoI Due Date for submission of EoI, BEML may, for any reason, whether at its own initiative or in response to clarifications requested by any IP, modify the invitation of EoI by the issuance of addendum.
- 3.3.7** BEML reserves the right to additionally seek any documents, information, indemnities, warranties, representations or performance obligations from the IPs or any of their related entities to BEML's sole satisfaction without any liability to the Transaction Advisor, BEML and VIL.
- 3.3.8** Details regarding the process post short-listing based on the EoIs submitted will be subsequently shared with the shortlisted IPs in the RFP.
- 3.3.9** Subsequently, a site visit (cost of which will be borne by the IPs) may be scheduled to facilitate the shortlisted IPs in their assessment of VIL at the discretion of BEML. The modalities related to the visit and due diligence will be communicated to the shortlisted IPs in due course.

3.3.10 All costs associated with the preparation and submission of the Eoi, due diligence, site visits (if any) will be borne by the respective IP. VIL/Transaction Advisor/BEML shall not, under any circumstances be responsible or liable for any such costs, whether direct, incidental or consequential.

3.3.11 The shortlisted IPs shall carry out their own due diligence, surveys, investigations, examination independent assessment and appraisal of VIL and the Transaction before submitting the Eoi. BEML/VIL/Transaction Advisor or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto shall not be liable in any manner whatsoever.

3.3.12 Format and Signing of Eoi

The IP shall provide all the information sought in this invitation of Eoi. The Transaction Advisor will evaluate only those Eois that are received in the required formats and complete in all respects.

Each page of the Eoi shall be signed in indelible blue ink by the authorised signatory of the IP. The IPs shall submit the Eoi by mentioning the page number on each document and to be submitted in sequence specified in clause 3.3.13.

The Eoi and all related correspondence and documents in relation to the Eoi shall be in English language.

All the alterations, omissions, additions or any other amendments made to the Eoi shall be initialed by the person(s) signing the Eoi.

3.3.13 Documents comprising the Eoi.

(i). The IP shall submit the Eoi in hard bound. The hard bound Eoi shall be submitted in one original and one copy form. The IP shall also submit a copy of complete Eoi in electronic form (soft copy) in a pen drive. The Eoi must be signed by a duly authorized representative of the IP. The IP shall also be required to submit a Power of Attorney (in the form enclosed in Annexure 7) authorizing the authorised signatory of the Eoi to commit the IP.

(ii). The contents of Eoi shall be as under:

S. No	Documents
1.	Demand Draft or Proof of payment (in case of online payment) of Rs. 50,000/- (Rupees fifty thousand only) towards non-refundable fees.
2.	Annexure: 1- Expression of Interest for Sole IP.
3.	Annexure: 2- Expression of Interest for Consortium, If applicable.
4.	Annexure: 3- Statement of Legal Capacity for Sole IP.
5.	Annexure: 4- Statement of Legal Capacity for Consortium of IP, if applicable.
6.	Annexure: 5- Request for Qualification.
7.	Annexure: 7- Power of Attorney for Sole IP or Consortium of IPs.
8.	Annexure: 8- Consortium Agreement, if applicable.
9.	Annexure: 9- Declaration for legal proceedings.
10.	Annexure: 10- Confidentiality Undertaking.
11.	Annexure: 11- An undertaking for lock-in of share-holding for 3 years by Sole IP.
12.	Annexure: 12- An undertaking for lock-in of share-holding for 3 years by Consortium IP.
13.	Annexure: 13- Affidavit certifying the correctness of documents.
14.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that [IP/each Consortium member] is eligible to participate in the proposed Transaction in terms of Clause _____ of its Memorandum and Articles of Association/_____ (name of Document of Constitution as may be applicable). (specific provision may be reproduced in certificate).

15.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that [IP/each Consortium member] is eligible to participate in the proposed Transaction in terms of guidelines issued by DIPAM vide No. 3/9/2016-DD-II-B Dated: 28 th September, 2017.
16.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, for shareholding pattern including the details establishing ultimate beneficial owner of the IP.
17.	Statutory auditor's certificate certifying the Net Worth as on 31st March 2019 as defined in the Eligibility criteria along with a detailed calculation of the Net Worth. In case the annual accounts of an IP for the financial year ending 31st March 2019 are not audited, then the IP shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth. <i>In the case, the financial year of any IP is different than April to March every year; the net worth shall be calculated as on date the latest financial year of such IP ends.</i>
18.	Statutory auditor's certificate certifying the Profit after tax for the 3 years claimed as profitable out of 5 years preceding the Eol Due Date. <i>In the case, the financial year of any IP is different than April to March every year; the profitability shall be calculated as on date the latest financial year of such IP ends.</i>
19.	Annexure: 5- Request for Qualification by each of the Consortium member, if applicable, along with supporting documents.
20.	Audited financial statements and annual reports for the immediately five preceding financial years.
21.	A certified true copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business, if applicable.
22.	Annexure: 16- Power of Attorney for participating Employees, if applicable, including all the corresponding documents/annexures as per the criteria provided in Annexure 15.

Note: The documents to be submitted along with the Eol in respect of the IP shall be applicable to each member of the Consortium.

3.3.14 Submission of Eol

- (i). IP shall ensure that the Eol is complete as to requirements of the specified documents/information as instructed in this PIM.
- (ii). Two sets of all the documents listed in clause 3.3.13 should be submitted on or before the Eol Due Date to the Transaction Advisor in two separate sealed envelopes in the following manner:

Envelope 1: Envelope 1 should contain all the originally signed documents (as listed in clause 3.3.13) and should be sealed and duly superscribed as **"Private and Confidential - Eol for proposed strategic disinvestment of 96.56% equity shareholding of VIL held by BEML-Original"**.

Envelope 2: Envelope 2 should contain a copy of all the originally signed documents (as listed at clause 3.3.13) and should be sealed and duly superscribed as **"Private and Confidential-Eol for proposed strategic disinvestment of 96.56% equity shareholding of VIL held by BEML- Copy"**.

Both the envelopes shall clearly indicate the name and address of the IP.

Envelope 1 and Envelope 2 along with soft copy of documents contained therein shall then be placed in a third envelope (**"Envelope 3"**), which shall be sealed and duly superscribed as **"Private and Confidential-Eol for proposed strategic disinvestment of 96.56% equity shareholding of VIL held by**

BEML and shall clearly indicate the name and address of the IP. In addition, the Eoi Due Date should be indicated on the right hand top corner of the envelope.

- (iii). The envelope shall be addressed to the following officer and shall be submitted at the following address:

Akhilesh Raina, Sr. Manager
 Resurgent India Limited
 903-906, 9th Floor, Tower-C,
 Unitech Business Zone, Sector-50,
 Nirvana Country, Gurugram-122018, Haryana

- (iv). If the envelope is not sealed and marked as instructed above, BEML/Transaction Advisor assumes no responsibility for the misplacement or premature opening of the contents of the Eoi submitted and consequent losses, if any, suffered by the IP. Any submission made shall be rejected, if it is not marked as per the instructions mentioned in this invitation of Eoi.
- (v). Eoi submitted by fax, telex, or e-mail shall not be entertained and shall be summarily rejected.
- (vi). All enquiries related to the Transaction should be addressed to the representative of Transaction Advisor mentioned above.

3.3.15 Bidding schedule

Sl. No.	Event Description	Date
1.	Invitation of Eoi (Advertisement)	05.09.2019
2.	Start Date of receiving queries. Through email: Vildisinvestment@resurgentindia.com	05.09.2019
3.	Last date for receiving queries Through email: Vildisinvestment@resurgentindia.com	18.09.2019
4.	Transaction Advisor response to queries in the form of FAQ latest by (To be uploaded on website)	03.10.2019
5.	Last date of submission of Eoi (" Eoi Due Date ")	21.10.2019 at 1500 hours
6.	Opening of Eoi	21.10.2019 at 1600 hours

Notes:

- Opening of Eoi shall not be construed as shortlisting of IPs.
- BEML, Company and the Transaction Advisor shall bear no responsibility for non-receipt of Eois/any other correspondence sent by post/e-mail/courier/fax.
- Any queries or request for clarification/additional information concerning this Eoi shall be submitted on the letterhead of the IP duly signed by its authorized signatory physically at the above mentioned address or the scanned copy of such a letter shall be mailed at Vildisinvestment@resurgentindia.com, not later than the date mentioned in Clause 3.3.15. The communications shall clearly bear the following identification/ title: "Queries/ Request for Additional Information: Eoi for Strategic Disinvestment of VIL".

3.3.16 Approvals

The IP shall be responsible for obtaining all the applicable approvals to complete the Transaction within a specified time limit. For the purpose of this Transaction, the IP shall ascertain the applicability and implication of all laws pertaining to the Transaction and shall ensure compliance with all the applicable laws.

3.3.17 Late Eols

Submission of any Eol after the prescribed date and time at Clause 3.3.15 shall not be considered and the Eol shall be summarily rejected.

3.3.18 Substitution/ withdrawal of Eol

- a) The IP may substitute or withdraw its Eol after submission prior to the Eol Due Date. No Eol can be substituted or withdrawn by the IP on or after the Eol Due Date & time.
- b) Restriction on change in composition of Consortium:
 - (i) Any changes in the composition of the Consortium may be permitted only up to the stage of Eol Due Date after the Eol already submitted has been withdrawn and fresh Eol has been submitted up to the Eol Due Date. However, no change in the composition will be permitted after the last date of submission of Eol till the shortlisting of IPs.
 - (ii) If after short listing of IPs, a Consortium IP desires a change in the Consortium by inclusion/exclusion of members or if a non-consortium IP desires to form a Consortium by inducting new member(s), it shall have to apply for such change to the Transaction Advisor. After obtaining approval from BEML, Transaction Advisor shall qualify/disqualify such a Consortium subject to the eligibility criteria and the following:
 - a. The change shall be permitted only once per Consortium.
 - b. No change in Lead Member shall be allowed.
 - c. Jumping from one Consortium to another shall not be permitted.
 - d. Request for such modification/ withdrawal/ substitution shall be entertained only before the financial bids are received by Transaction Advisor/BEML/Government. However, the last date for such request shall be specified in the Request For Proposal (RFP) document.

3.3.19 Evaluation of Eol.

The Transaction Advisor will subsequently examine and evaluate the Eols in accordance with the provisions of invitation of Eol.

3.3.20 Rejection of Eol

- (i) Notwithstanding anything contained in this invitation of Eol, BEML reserves the right to reject any or all Eols on the grounds of national interest, national security, public interest or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.
- (ii) BEML may also annul the Eol process and/or reject all Eols at any time without any liability or any obligation for such acceptance, rejection or annulment, and without communicating any reasons thereof. In the event that BEML rejects or annuls all the Eols, it may, in its discretion, invite fresh Eols hereunder.
- (iii) BEML reserves the right not to proceed with the Eol process at any time, without notice or liability, and to reject any Eol without communicating any reasons.

3.3.21 Validity of Eol

The EoIs shall be valid for a period of not less than **180 (one hundred and eighty) days** from the Eol Due Date. The validity of EoIs may be extended at the discretion of BEML.

3.3.22 Confidentiality

Information relating to the examination, clarification, evaluation and recommendation for the IPs shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising BEML in relation to, or matters arising out of, or concerning the Eol process. The Transaction Advisor will treat all information, submitted as part of the Eol, in confidence and will require all those who have access to such material to treat the same in confidence. The Transaction Advisor shall not divulge any such information unless it is directed to do so by any statutory authority that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or BEML or as may be required by law or in connection with any legal process.

- 3.3.23** The completed forms, “Annexures” of the Eol shall be considered as part of the contract documents in the case of successful bid.
- 3.3.24** The detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IP hereunder shall continue to have effect in addition to its obligations under the definitive agreements.
- 3.3.25** Any condition or qualification or any other stipulation contained in the invitation of Eol shall render the Eol liable to rejection as a non-responsive Eol.
- 3.3.26** The documents including this invitation of Eol and all attached documents are and shall remain or become the properties of BEML and are transmitted to the IPs solely for the purpose of preparation and the submission of an Eol in accordance herewith. IPs shall not use such documents/information for any purpose other than for preparation and submission of their Eol.
- 3.3.27** A draft of the Confidentiality Undertaking (“**Undertaking**”) has been provided in Annexure 6. Shortlisted IPs shall be required to execute the Undertaking before they can be provided with CIM, access to data room and the RFP.
- 3.3.28** The IPs shall provide certificates, undertakings, Earnest Money Deposit (“**EMD**”) if so required by BEML or such similar documents for such amounts and on such terms and conditions prior to submission of the financial bid in Stage II as may be informed by BEML.
- 3.3.29** Unless otherwise specified, a certified true copy (duly verified by a notary) of the supporting documents shall be submitted.
- 3.3.30** BEML, VIL and the Transaction Advisor shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the invitation of Eol including any error or mistake therein or in any information or data given by the Transaction Advisor.
- 3.3.31** BEML and the Transaction Advisor reserve the right to verify all statements, information and documents submitted by the IP in response to the Eol and the IP shall, when so required by BEML/Transaction Advisor, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by BEML/Transaction Advisor shall not relieve the IP of its obligations or liabilities hereunder nor will it affect any rights of BEML/Transaction Advisor thereunder.
- 3.3.32** Disinvestment of entire equity shareholding in VIL by BEML will be subject to applicable statutory and regulatory restrictions and approval requirements.

3.3.33 Governing Law / Jurisdiction: The Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi.

3.4 DISQUALIFICATIONS

- 3.4.1** BEML/Transaction Advisor shall not consider for the purpose of qualification, any EoI which has been found to be incomplete in content or attachments or authenticity or legal capacity.
- 3.4.2** Without prejudice to any other rights or remedies available to BEML, BEML/ Transaction Advisor reserves the right to disqualify any IP and exclude its EoI from further consideration for any of the following reasons including without limitation those listed below:
- 3.4.2.1** Misrepresentation/false statement is made by the IP in the EoI, at any stage of the Transaction, whether in the EoI, the financial bid, supporting documentation or otherwise and whether written or oral.
 - 3.4.2.2** If the EoI submitted by the IP is in any respect inconsistent with, or demonstrate any failure to comply with, the provisions of the invitation of EoI.
 - 3.4.2.3** Failure by IP/ any Consortium member to provide necessary and sufficient information required to be provided in the EoI.
 - 3.4.2.4** Submission of EoI in respect of any IP/ Consortium, where such IP or member had already submitted an EoI or is a member of another Consortium, which has already submitted an EoI in which case, all such EoIs shall be rejected.
 - 3.4.2.5** The IPs not satisfying the eligibility and requisite qualification criteria specified in this invitation of EoI and hence not eligible.
 - 3.4.2.6** Failure by the IP to comply with any reasonable requests of BEML and/or the Transaction Advisor in relation to the Transaction.
 - 3.4.2.7** If it is discovered at any time that an IP is subjected to winding up/insolvency/bankruptcy or other proceedings of a similar nature.
 - 3.4.2.8** Any information regarding or in connection with the IP which becomes known that is detrimental to the national security and/or public interest and/or national interest and/or Transaction and/or the interests of VIL and/or BEML.
 - 3.4.2.9** Initiation or existence of any legal proceedings, by or against the IP in respect of VIL, which proceeding may be prejudiced by the participation of the IP in the selection process.
 - 3.4.2.10** Failure to comply with the circular No. 1/8/2016-FC-1 issued by Department of Industrial Policy and Promotion on Standard Operating Procedure (SOP) for processing Foreign Direct Investment Proposal.
 - 3.4.2.11** Specifically in case of SEBI Registered AIF(s), failure to comply with SEBI regulations, as applicable for different categories of SEBI registered AIF(s), on ongoing basis.
 - 3.4.2.12** If it is discovered at any stage that the IP/ any member of Consortium did not possess requisite corporate authorizations or that any part of the information provided in the EoI was not complete or accurate in any respect.
 - 3.4.2.13** If a Consortium changes its composition post submission of EoI, then its EoI will be disqualified.

- 3.4.2.14** If the BEML/GoI is not satisfied with sources of funds/ownership structure of the IP/ any member of Consortium.
- 3.4.2.15** Breach of Confidentiality Undertaking executed by the IP.
- 3.4.2.16** The IP or if the IP is a Consortium then any member of such Consortium or their respective Promoters or parent companies or subsidiaries who does not satisfy the requirements of qualification or is disqualified under the Government of India office memorandum No. 3/9/2016-DD-II-B Dated: 28th September, 2017, (refer Annexure 14), as amended from time to time.
- 3.4.2.17** Non fulfillment of any other condition as listed in the Eoi including breach of Confidentiality Undertaking.
- 3.4.2.18** Any condition or qualification or any other stipulation inserted by the IP contained in the Eoi shall render the Eoi liable to rejection.
- 3.4.2.19** In regard to matters relating to the national security and national integrity, any charge-sheet by any Governmental Authority / conviction by a court of law for an offence committed by the IP or by any of their respective sister concerns or any of their Promoters, Promoter Group and directors would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons. The term 'Promoter' shall have the same meaning as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the term 'promoter group' shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
- "Governmental Authority"** means (a) the government of India or the government of any state or other political subdivision thereof in India; (b) any other governmental or quasi-governmental or statutory or regulatory authority, agency, department, board, commission or instrumentality of India or of any state or political subdivision thereof including without limitation the Foreign Investment Promotion Board and the Reserve Bank of India; or (c) any court, tribunal, judicial or quasi-judicial authority of competent jurisdiction in India or any arbitration tribunal (including a sole arbitrator).
- 3.4.2.20** IPs or promoters or promoter group or directors of such IPs which are otherwise covered in section above but are:
- (a) debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by any Governmental Authority;
 - (b) appearing in the RBI list of Wilful Defaulters;
- "Wilful Defaulter"** means an issuer who is categorized as a wilful defaulter by any bank or financial institution or Consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.
- 3.4.2.21** If the IP does not satisfy any of the requirements as may be issued by the GoI by way of notifications / issue of guidelines / circulars or such similar notifications from time to time including any conditions of disqualifications, the Eoi submitted by such IP shall be disqualified.
- 3.4.2.22** All entities that have been debarred/ banned/ blacklisted by any Governmental Authority, from time to time.
- 3.4.2.23** IPs which are otherwise covered in section 3.2.1 above but are:

- (a) Erstwhile OCBs which are incorporated outside India and are under the adverse notice of RBI;
- (b) Prohibited or restricted from investing in VIL, basis their status / sector in which VIL operates under the Foreign Exchange Management Act, 1999 or any regulations made thereunder and including the provisions of the Consolidated FDI Policy. It being clarified that sectors where government approval is required will not be considered as 'restricted' from investing.

"OCBs" mean a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held directly or indirectly by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under Foreign Exchange Management Regulation Act, 1999.

- 3.4.2.24** If IPs, directly or indirectly, communicate with any officer/employee of BEML or MoD or VIL either before or after submission of its EoI.
- 3.4.2.25** If IPs, directly or indirectly, disclose the intent/willingness to participate as an IP in EoI process to any officer/employee of BEML or MoD or VIL at any time from the date of issue of this invitation of EoI.
- 3.4.2.26** If any information becomes known after the IP has been qualified to receive the CIM/access to data room and RFP, which information would have entitled BEML /Transaction Advisor to reject or disqualify the EoI of relevant IP, BEML /Transaction Advisor reserves the right to reject the IP at the time or at any time after such information becomes known to BEML /Transaction Advisor. Where such party is a Consortium, BEML/Transaction Advisor may disqualify the entire Consortium, even if it applied to only one member of the Consortium.
- 3.4.2.27** If any of the members of the Consortium are disqualified, all the members of the Consortium shall automatically stand disqualified.

In addition to the eligibility of the IP being a sole IP, each of the members of Consortium and the Consortium as a whole must be eligible as per the criteria mentioned in this invitation of EoI as on EoI Due Date and must continue to be eligible throughout until the consummation of the Transaction.

- 3.4.2.28** Any of the outstanding indebtedness of IP availed from either banks or financial institution being classified as 'non-performing asset' or any equivalent classification in the respective jurisdiction on the IP and includes all such indebtedness availed by any of the entities where the IP holds more than 50% in the share capital of such entity or any of the entities that hold more than 50% in the share capital of IP.
- 3.4.2.29** Notwithstanding anything contained in this Invitation of EoI, BEML reserves the right to reject all the EoIs and to annul the EoI process at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof. In the event that BEML rejects or annuls all the EoIs, it may, in its discretion, invite all eligible IBs to submit fresh EoI hereunder.
- 3.4.2.30** BEML /Transaction Advisor determination that one or more of the events specified in this section has occurred shall be final and conclusive.

SECTION 4: ANNEXURES TO INVITATION OF EOI

ANNEXURE 1: EXPRESSION OF INTEREST FOR SOLE IP

(To be typed on the letterhead of the IP submitting the Eoi)

Reference No. _____

Date _____

To,
Mr. Akhilesh Raina
Sr. Manager
Resurgent India Limited
903-906, Unitech Business Zone,
Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana - 122018

Sub: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 96.56% STAKE HELD BY BEML IN VIGNYAN INDUSTRIES LIMITED (“VIL”) THROUGH SALE OF EQUITY SHARES.

Sir,

This is with reference to the advertisement dated _____ (“**Advertisement**”) inviting Expression Of Interest (“**Eoi**”) for sale of such number of shares representing 96.56% of the equity share capital of VIL, a company registered under the Companies Act, 1956 having its registered office at Haliyur, B.H. Road, Tarikere Post - 577 228, Chikkamagaluru District, Karnataka with transfer of management control (“**Strategic Disinvestment**” or “**Transaction**”).

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the “**Interested Party^s**”), and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the Interested Party’s interest for bidding for the Strategic Disinvestment.

We have read and understood the contents of the Advertisement, Preliminary Information Memorandum dated [●] (“**PIM**”) and are desirous of participating in the Strategic Disinvestment, and for this purpose confirm and undertake as follows:

1. We propose to submit our Eoi in individual capacity as _____ ** (insert name of Interested Party) having its registered office/residence at _____ (insert registered address of Interested Party)
2. We understand that 96.56 % equity stake of VIL is proposed to be divested and we are interested in bidding for the same.

**All blank spaces shall be suitably filled up by the Interested Party to reflect the particulars relating to such Interested Party.

3. We satisfy the eligibility criteria detailed in the Advertisement and PIM.
4. We confirm and represent that the EoI is complete and accurate in all respects and represent that we have the requisite authorisation to submit the EoI.
5. We certify that neither have we been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.
6. We further certify that in regard to matters relating to security and integrity of the country, no charge sheet has been filed against us by any agency of the Government of India or convicted by a Court of law for any offence committed by us or by any of our group concerns.
7. We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against any of our directors or key managerial personnel.
8. In the event we are attracted by any of the disqualifications in terms of the PIM during the pendency of the process of Strategic Disinvestment, owing to change in facts or circumstances, we undertake to immediately intimate the Transaction Advisor.
9. We acknowledge the right of BEML /Transaction Advisor to reject our EoI without communicating any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.
10. We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by BEML/Transaction Advisor in connection with the shortlisting and subsequent selection of the Interested Party, or in connection with the EoI process itself and the terms and implementation thereof.
11. We certify that in terms of the EoI, our Networth as on 31st March 2019 is Rs. (Rs. in words).
12. The Statement of Legal Capacity and Form for Request for Qualification as per formats given in Annexure 3 and Annexure 5 respectively of EoI, duly signed by us are enclosed.
13. We further understand that the information and data received by us for this Transaction is confidential and shall not be divulged or disclosed or reproduced or disseminated, in whole or part, to any person or entity except to our directors, officers, employees and professional advisers who need to know the information for the purpose of evaluating the Transaction. We shall use the confidential information only for the purpose of the proposed Transaction.

Sincerely

_____ (Signature of Authorised Signatory)
_____ (Name of Authorised Signatory)
_____ (Designation of Authorised Signatory)
_____ (Name of the Interested Party)

ANNEXURE 2: EXPRESSION OF INTEREST FOR CONSORTIUM OF IP

[On the letterhead of the Lead Member of the Consortium of IP submitting the Expression of Interest]

Reference No.:

Date:

To,
Mr. Akhilesh Raina
Sr. Manager
Resurgent India Limited
903-904, Unitech Business Zone,
Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana - 122018

Sub.: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 96.56% STAKE HELD BY BEML LIMITED IN VIGNYAN INDUSTRIES LIMITED (“VIL”) THROUGH SALE OF EQUITY SHARES.

Sir,

This is with reference to the advertisement dated [●] (“**Advertisement**”) inviting Expression of Interest (“**Eoi**”) for sale of such number of shares representing 96.56% of the equity share capital of VIL, a company registered under the Companies Act, 1956 having its registered office at Haliyur, B.H. Road, Tarikere Post - 577 228, Chikkamagaluru District, Karnataka with transfer of management control (“**Strategic Disinvestment**” or “**Transaction**”).

This communication has been issued by the Lead Member (as defined below) for and on behalf of the Consortium (as defined below).

We have read and understood the contents of the Advertisement, Preliminary Information Memorandum dated [●] (“**PIM**”) and the Eoi dated [●] and are desirous of participating in the Strategic Disinvestment, and for this purpose, address you as under:

1. We have formed a Consortium comprising of [____] members (“**Consortium**”) as follows and propose to submit our Eoi:
 - 1.1 [●] holding [●] % shareholding in the Consortium;
 - 1.2 [●] holding [●] % shareholding in the Consortium; and
 - 1.3 [●] holding [●] % shareholding in the Consortium.
2. We have agreed that [●] shall act as the Lead Member of the Consortium (“**Lead Member**”).
3. We understand that 96.56 % equity stake of VIL is proposed to be divested and we are interested in bidding for the same.
4. We satisfy the eligibility criteria detailed in the Advertisement and PIM.
5. We confirm and represent that we have the requisite corporate authorisation to submit the Eoi.

6. We certify that neither have we been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.
7. We further certify that in regard to matters relating to security and integrity of the country, no charge sheet has been filed against us by any agency of the Government of India or convicted by a Court of law for any offence committed by us or by any of our group concerns.
8. We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against any of our directors or key managerial personnel.
9. In the event we are attracted by any of the disqualifications in terms of the PIM during the pendency of the process of Strategic Disinvestment, owing to change in facts or circumstances, we undertake to immediately intimate the Transaction Advisor.
10. We acknowledge the right of BEML/Transaction Advisor to reject our EoI without communicating any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.
11. We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by BEML /Transaction Advisor in connection with the shortlisting and subsequent selection of the Interested Party, or in connection with the EoI process itself and the terms and implementation thereof.
12. We certify that in terms of the EoI, our Net Worth as on 31st March 2019 is Rs. (Rs. in words).
13. The Statement of Legal Capacity and Form for Request for Qualification as per formats given in Annexure 4 and Annexure 5 respectively of EoI, duly signed by us are enclosed.
14. We further understand that the information and data received by us for this Transaction is confidential and shall not be divulged or disclosed or reproduced or disseminated, in whole or part, to any person or entity except to our directors, officers, employees and professional advisers who need to know the information for the purpose of evaluating the Transaction. We shall use the confidential information only for the purpose of the proposed Transaction.

Thank you.

Yours sincerely,

For and on behalf of: (name of the Lead Member of Consortium)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

ANNEXURE 3: STATEMENT OF LEGAL CAPACITY FOR SOLE IP

(To be typed on the letterhead of the IP submitting the Eoi)

Reference No. _____

Date _____

To,
Mr. Akhilesh Raina
Sr. Manager
Resurgent India Limited
903-906, Unitech Business Zone,
Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana - 122018

Sub: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR DISINVESTMENT OF 96.56% STAKE HELD BY BEML LIMITED IN VIGNYAN INDUSTRIES LIMITED (“VIL”) THROUGH SALE OF EQUITY SHARES.

Sir,

This is with reference to the advertisement dated [●](“**Advertisement**”) inviting Expression Of Interest (“**Eoi**”) for strategic disinvestment of such number of shares representing 96.56% of the equity share capital of VIL, a company registered under the Companies Act, 1956 having its registered office at Haliyur, B.H. Road, Tarikere Post - 577 228, Chikkamagaluru District, Karnataka with transfer of management control (“**Strategic Disinvestment**” or “**Transaction**”).

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the “**Interested Party**”), and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the Interested Party’s interest for bidding for the Strategic Disinvestment.

We have read and understood the contents of the Advertisement, Preliminary Information Memorandum (“**PIM**”) and the Eoi dated [●] and are desirous of participating in the Strategic Disinvestment and confirm and undertake as follows:

1. We are interested in bidding for the Strategic Disinvestment of such number of shares representing 96.56% of the equity share capital of VIL.
2. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement, and PIM and we satisfy the eligibility criteria stipulated in the Advertisement and PIM.
3. We have agreed that [●] (insert name and designation of individual) will act as our representative and has been duly authorised to submit the Eoi (“**Representative**”).
4. The Representative is vested with the requisite power and authority to furnish this letter along with all the documents to be submitted pursuant to the Eoi and authenticate the same.

Sincerely

_____ (Name of the Interested Party)
_____ (Authorised Representative and Signatory)
_____ (Name of the Person)
_____ (Designation of Authorised Signatory)

ANNEXURE 4: STATEMENT OF LEGAL CAPACITY FOR CONSORTIUM OF IP

[On the letterhead of the Lead Member of the Consortium of IP submitting the Statement of Legal Capacity]

Reference No.:

Date:

To,
Mr. Akhilesh Raina
Sr. Manager
Resurgent India Limited
903-904, Unitech Business Zone,
Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana - 122018

Sub.: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR DISINVESTMENT OF 96.56% STAKE HELD BY BEML LIMITED IN VIGNYAN INDUSTRIES LIMITED (“VIL”) THROUGH SALE OF EQUITY SHARES.

Sir/Madam,

This is with reference to the advertisement dated [●] (“**Advertisement**”) inviting Expression of Interest (“**Eoi**”) for strategic disinvestment of such number of shares representing 96.56% of the equity share capital of VIL, a company registered under the Companies Act, 1956 having its registered office at Haliyur, B.H. Road, Tarikere Post - 577 228, Chikkamagaluru District, Karnataka with transfer of management control (“**Strategic Disinvestment**” or “**Transaction**”).

This communication has been issued by the Lead Member (as defined below) for and on behalf of the Consortium (as defined below).

We have read and understood the contents of the Advertisement, Preliminary Information Memorandum dated [●] (“**PIM**”) and the Eoi dated [●] and are desirous of participating in the Strategic Disinvestment and confirm and undertake as follows:

1. We are interested in bidding for the Strategic Disinvestment of such number of shares representing 96.56% of the equity share capital of VIL.
2. We have formed a Consortium comprising of [●] members (“**Consortium**”) as follows:
 - a. [●] holding [●] % shareholding in the Consortium;
 - b. [●] holding [●] % shareholding in the Consortium; and
 - c. [●] holding [●] % shareholding in the Consortium.
3. We have agreed that [●] shall act as the Lead Member of the Consortium (“**Lead Member**”).
4. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and PIM and the Consortium jointly satisfies the eligibility criteria stipulated in the Advertisement and PIM.

5. We have agreed that [●] (insert name and designation of individual) will act as the representative of our Consortium and has been duly authorised to submit the Eoi (“**Representative**”).
6. The Representative is vested with the requisite power and authority to furnish this letter along with all the documents to be submitted pursuant to the Eoi and authenticate the same.

Sincerely

For and on behalf of: (name of the Lead Member of Consortium)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

ANNEXURE 5: FORMAT FOR REQUEST FOR QUALIFICATION FOR SOLE IP/CONSORTIUM*(To be submitted on the letterhead of IP/each member of the Consortium)*

Reference No. _____

Date _____

To,
 Mr. Akhilesh Raina
 Sr. Manager
 Resurgent India Limited
 903-904, Unitech Business Zone,
 Tower C, Nirvana Country, Sector 50, Gurugram, Haryana - 122018

S. No.	Particulars	Details
1.	Name of the interested Party/ Member of Consortium	
2.	Constitution	
3.	I. Public Limited Company II. Private Limited Company III. Limited Liability Partnership (LLP) IV. SEBI Registered Alternate Investment Fund (AIF)	
4.	If the interested party is a foreign company, specify list of statutory approvals from Gol/ RBI applied for/ obtained/ awaited, if any.	
5.	Memorandum and Articles of Association/Document of Constitution, as may be applicable to the Interested Party / member of Consortium.	
6.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that Interested Party is eligible to participate in the proposed Transaction in terms of Clause _____ of its Memorandum and Articles of Association/_____ (name of Document of Constitution as may be applicable) (specific provision may be reproduced in certificate).	
7.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that Interested Party does not attract disqualification vide Office Memorandum No. 3/9/2016-DD-II-B Dated: 28th September, 2017 issued by DIPAM (Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment).	
8.	Basis of eligibility for participation in the process (please mention basis and attach supporting documents).	
9.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, for details of Shareholding pattern of the IP including the details establishing ultimate beneficial owner of the IP.	
10.	Audited Annual Reports of immediately preceding five financial years (including audited financials with profit and loss statement, balance sheet and cash flow statement and the annual report). <i>In case the annual accounts of an IP for the financial year ending on 31st March 2019 are not audited then the IP shall submit a certificate from Statutory Auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth</i> Note:	

S. No.	Particulars	Details
	<i>In the case, the financial year of any IP is different than April to March every year; the Net Worth shall be calculated as on date the latest financial year of such IP ends.</i>	
11.	Role, Interest and equity contribution of member in the Consortium (if applicable).	
12.	Nature of business/products dealt with.	
13.	A profile containing information on Company/Group's area of operations, capability of the IP, as demonstrated in its past track record, to run its own business.	
14.	List of board of directors along with an overview and role of the IP's senior management and organization structure including effective place of management of business of IP certified by the company secretary of the IP. (IP shall also provide the email id and mobile numbers of each of the board of directors).	
15.	Brief write up of the IP's international operations, joint ventures / alliances (whether international or domestic), nature and size of such operations, equity ownership along with copy of audited financial statements of immediately preceding financial year.	
16.	The names and addresses of those companies and the professional firms, if any, who are (or will be) advising the IP, together with the names of the principal individual advisors at those companies and firms.	
17.	Date & Place of incorporation.	
18.	Date of commencement of business.	
19.	Full address including phone No., fax No., email address and web address:	
	i. Registered Office	
	ii. Head Office	
	iii. Branches	
20.	Detail of Contact Person:	
	i. Name	
	ii. Designation	
	iii. Company	
	iv. Address	
	v. Mobile Number	
	vi. E-Mail Address	
vii. Fax Number		
21.	Salient features of financial performance for the last five years.	
22.	Statutory Auditor's certificate certifying the Net Worth as on 31 st March 2019 as defined in the Eligibility criteria along with methodology for calculation of Net Worth.	
23.	Statutory Auditor's certificate certifying Profit after tax for the 3 years claimed as profitable out of 5 years preceding the EoI Due Date.	
24.	Statutory Auditor's certificate certifying the outstanding indebtedness of IP availed from either banks or financial institution being classified as 'non-performing asset' or any equivalent classification in the respective jurisdiction on the IP and includes all such indebtedness availed by any of the entities where the IP holds more than 50% in the share capital of such entity or any of the entities that hold more than 50% in the share capital of IP.	
25.	An affidavit certifying the correctness of documents submitted in the EoI as per the format provided in Annexure 13.	
26.	Please provide details of all contingent liabilities that, if materialised, would reasonably be expected to have a material adverse effect on the business, operations (or results of	

S. No.	Particulars	Details
	operations), assets, liabilities and/or financial condition of the Company, or other similar business combination or sale.	
27.	A detailed statement showing contractual disputes and litigation/ arbitration in the recent past along with parties and amount involved in such disputes and litigation/ arbitration.	
28.	A statement showing pending litigations that, if decided against the IP, shall disqualify the IP in terms of prescribed eligibility criteria and extant Government instructions on disinvestment.	
29.	Annexure: 16- Power of Attorney for participating Employees, if applicable, including all the corresponding documents/annexures as per the criteria provided in Annexure 15.	
30.	For SEBI Registered AIF(s) (which participate in the bid, as part of the Consortium), fund to provide Annexure XIII, certifying its net worth.	
31.	i. A brief profile write – up containing details related to IP's; ii. Business history and growth; iii. Business Areas and Activities; and iv. Brief commentary on the capability of the IP as demonstrated, inter alia, in its past track record to run its own business.	
32.	For employee/management bid, net worth certificate from a statutory auditor/chartered accountant practicing in India, to be provided as applicable.	

Sincerely

Authorised Signatory
For and on behalf of the (party/member)

Authorised Signatory
For and on behalf of the Consortium

Enclosed:

1. Demand Draft or Proof of payment (in case of online payment) of Rs. 50,000/- (Rupees Fifty Thousand only) towards non-refundable fees.
2. Annexure: 1- Expression of Interest for Sole IP, if applicable.
3. Annexure: 2- Expression of Interest for Consortium, if applicable.
4. Annexure: 3- Statement of Legal Capacity for Sole IP if applicable.
5. Annexure: 4- Statement of Legal Capacity for Consortium of IP, if applicable.
6. Annexure: 7- Power of Attorney for Sole IP or Consortium of IPs.
7. Annexure: 8- Consortium Agreement, if applicable.
8. Annexure: 9- Declaration for legal proceedings.
9. Annexure: 10- Confidentiality Undertaking.
10. Annexure: 11- An undertaking for lock-in of share-holding for 3 years by Sole IP, if applicable.
11. Annexure: 12- An undertaking for lock-in of share-holding for 3 years by Consortium IP, if applicable.

Note: Please follow the order adopted in the format provided. If the Interested IP/ member of Consortium is unable to respond to a particular question/ request, the relevant number must nonetheless be set out with the words 'No response' against it.

ANNEXURE 6: CONFIDENTIALITY UNDERTAKING

[ON RS. 1,000 STAMP PAPER]

This **CONFIDENTIALITY UNDERTAKING** ("**Undertaking**") is made on this [●] day of [●], 2019.

BY

[●] a company incorporated under the Companies Act, [1956/2013] bearing corporate identification number ___ or a Limited Liability Partnership/ SEBI Registered AIF/body corporate and having its registered office at [●] (the "**IP**");

IN FAVOUR OF:

BEML Limited, at BEML SOUDHA, 23/1, 4th Main, SR Nagar, Bengaluru-560 027, Karnataka, India. ("**BEML**");

AND

Vignyan Industries Limited, a company incorporated under the Companies Act, 1956, having its office at Haliyur, B.H. Road, Tarikere Post - 577 228, Chikkamagaluru District, Karnataka (the "**VIL**"), which expression shall unless repugnant or contrary to the context or meaning thereof include its successors and assigns; and

AND

The entities whose names and particulars are listed in Schedule 1 (hereinafter referred to as the "Advisors")

WHEREAS:

- A. The IP along with Consortium Members (as defined hereinafter) has submitted an Expression of Interest for participation in the proposed Strategic Disinvestment of 96.56% percent of the equity shares of the Company held by BEML in VIL (the "**Transaction**") and has been shortlisted as a "Qualified Interested Party"; and
- B. In the context of the IP's interest in the Transaction, the Disclosing Party (as defined hereinafter) may disclose Confidential Information (as defined hereinafter) to the Receiving Party (as defined hereinafter) to enable the IP to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the IP hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein:

1. **DEFINITIONS:** In this Undertaking (including the recitals and schedules hereto);

"**Advisors**" means, collectively, Resurgent India Limited, R.K. Patel & Co. and IC Universal Legal, more particularly described in Schedule 1 hereto.

"**Confidential Information**" means and includes any and all facts, knowledge, information, documents and material whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of VIL, its affiliates, parent, associates or subsidiaries (which includes, without limitation, facts,

knowledge, information, documents and material delivered in connection with due diligence, investigation, information relating to the existing business of VIL and new businesses (if any) proposed to be undertaken by VIL, market and company-specific data, agreements related to its business including know-how and technology agreements, agreements relating to licence to use intellectual property rights, graphs, drawing, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to VIL's operations prepared by external consultants which are proprietary to VIL or the MoD, and any information memorandum /or draft /final offer document, request for proposal, drafts of shareholders and share purchase agreements or other materials prepared in connection with the Transaction, howsoever documented, that has been or may hereafter be provided or shown to the Receiving Party by the Disclosing Party or is otherwise obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party by the Receiving Party irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute "Confidential Information" for purposes of this Undertaking:

- (a) Information which the IP can prove was already in the possession of the Receiving Party and was available to the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;
- (b) Information which is obtained by the Receiving Party from a third Person who, insofar as is known to the Receiving Party, is not prohibited from disclosing the information to the Receiving party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- (c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party.

The decision of BEML and/or VIL on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding.

"Consortium" means the IP and all other Consortium Members acting in concert with the IP intending to directly or indirectly participate in the Transaction.

"Consortium Members" means the members of any existing Consortium, formed by the IP for purposes of the Transaction and shall include members who have submitted the Statement of Legal Capacity in the form specified in the invitation of Expression Of Interest announcement by BEML for participation in disinvestment of VIL in respect of the Transaction as part of any existing Consortium.

"Disclosing Party" means the Advisors, VIL, BEML, other Governmental Authority and/or their respective Representatives, whether jointly or severally.

"**Governmental Authority**" means any governmental or regulatory authority, government ministry or department in India or other rule or regulation making entity having jurisdiction or acting on behalf of the Republic of India or any political subdivision thereof.

"**Person**" means any individual, company (including VIL and the Advisors), firm, association, trust, or any other organization or entity (including the Government and any governmental or political subdivision).

"**Receiving Party**" means the IP, Consortium Members and/or their respective Representatives, whether jointly or severally.

"**Representative(s)**" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this Transaction or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

"**Transaction Advisor**" means Resurgent India Limited, more particularly described in Schedule 1 hereto.

2. **CONFIDENTIALITY AND NON-DISCLOSURE:** The Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and the Receiving Party shall not, without prior written consent of the Transaction Advisor or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. **PURPOSE OF CONFIDENTIAL INFORMATION:** The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the IP wishes to proceed with the Transaction and not for any purpose other than the Transaction but in any case, the Receiving Party will not, directly or indirectly, use the Confidential Information for any purpose or in any way which may be detrimental to the interests of the Disclosing Party, the Government and the MoD.
4. **MANNER & SCOPE OF USE AND SHARING OF CONFIDENTIAL INFORMATION:** In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the IP's execution of this Undertaking, the IP, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The IP agrees (a) to disclose Confidential Information only to Consortium Members and/or those of its Representatives and/or those Representatives of Consortium Members who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Consortium Member or Representative of the IP or Representative of Consortium Member will be informed and advised in writing by the IP of the confidential nature of such information and the contents of and the obligations under this Undertaking and (b) to satisfy itself that each such Consortium Member and/or Representative of the IP and/or Representative of Consortium Member will hold and treat the Confidential Information in confidence and act in accordance herewith. The IP agrees that the Confidential Information shall not, without prior written consent of the Transaction Advisor in consultation with VIL as well as BEML, be disclosed by the IP and/or each such Consortium Member and/or Representative of the IP and/or Representative of Consortium Member, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the IP or each such Consortium Member or Representative of the IP or Representative of Consortium Member other than in connection with an evaluation of the Transaction.

The IP expressly recognises & acknowledges the competitive value and confidential nature of the Confidential Information, and the possible resultant impact to VIL and BEML if the Confidential Information were disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the

Transaction. The IP expressly acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The IP, before disclosing any of the Confidential Information to any Consortium Member(s), shall ensure that such Consortium Member(s), has already executed and furnished to the Advisors, a written undertaking identical in form and content as this Confidentiality Undertaking in favour of BEML, VIL and the Advisors. The IPs, before disclosing any of the Confidential Information to any of its Representative(s) and /or Representatives of the Consortium Members, as the case may be, shall ensure that its Representative(s) / Representatives of the Consortium Members, as the case may be, have read and understood this Undertaking and have agreed in writing to be bound by the terms and conditions contained herein.

Notwithstanding any agreement or undertaking, the IP agrees that it shall comply with all applicable law and continue to be responsible and liable for any breach of this Undertaking even though the same may be caused by any act or omission of any Consortium Member and/or Representative of the IP and/or the Representative of Consortium Member and shall jointly and severally indemnify and hold BEML, VIL, and the Advisors harmless (including provisions of clause 13 set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom or arising from any violation by the Receiving Party of such applicable laws.

5. **EXISTENCE OF CONFIDENTIAL INFORMATION AND NEGOTIATIONS LEADING UP TO THE TRANSACTION:** Except as permitted by Clause 4 herein and except as expressly permitted by a definitive share purchase agreement, if any, entered into by the IP, the Consortium Members and/or any company formed and promoted by them for the acquisition of equity shares of VIL, the Receiving Party will not directly or indirectly disclose to any Person (including another prospective purchaser who has been provided Confidential Information) the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party has inspected any portion of the Confidential Information. Except with the prior written consent of the Transaction Advisor, and except as expressly permitted by such definitive share purchase agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.
6. **LEGAL OBLIGATIONS:** If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Government Authority and/or regulatory body (including any self-regulated organisation) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Transaction Advisor with prompt written notice of such request so that the Advisors, BEML or VIL may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the IP's legal counsel (reasonably acceptable to the Transaction Advisor), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
7. **AMENDMENTS:** The confidentiality obligations contained in this Undertaking may at the discretion of the Transaction Advisor, be amended, modified or superseded upon the IP and the Consortium Members and/or any company formed and promoted by them for executing definitive agreements, but shall be without prejudice to rights any of the Advisors', BEMLs or VIL's in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.

The IP agrees that BEML reserves the right, in its sole discretion to modify the process of the Transaction in any part and/or to vary any terms at any time without prior notice to the IP and/or to reject any or all proposals made by the IP with regard to the Transaction. BEML may elect at any time to terminate further access of the Receiving Party to any Confidential Information required by the IP in connection with its evaluation of the Transaction.

The terms of this Undertaking may be varied only with VIL's and BEML's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.

8. **DESTRUCTION OF CONFIDENTIAL INFORMATION:** BEML and/or VIL in consultation with the Government may elect at any time to terminate further access by the Receiving Party, without prior notice, to any Confidential Information in connection with its evaluation of the Transaction. After any such termination by BEML and/or VIL, in consultation with the Government, or the IP and/or Consortium Members withdrawing from the Transaction, (i) the IP (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies and summaries thereof in the possession or under the control of the Receiving Party, and (b) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material or (ii) alternatively, if the Transaction Advisor request or give prior written consent to the IP's request, the IP will destroy or cause to be destroyed all Confidential Information in the possession or under the control of the Receiving Party. Any such destruction pursuant to the foregoing must be confirmed by the IP in writing to the Transaction Advisor (such confirmation must include a list of the destroyed materials). The IP acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information pursuant to termination or otherwise shall not release the Receiving Party from its obligations under this Undertaking.
9. **ALL COMMUNICATION WITH TRANSACTION ADVISOR ONLY:** The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of BEML or VIL regarding the business, operations, prospects or finances of VIL, without the Transaction Advisor's prior written consent, unless otherwise agreed to in executed definitive agreement entered into in connection with the Transaction. It is understood that the Transaction Advisor will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Transaction Advisor in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Transaction Advisor. However, if the Receiving Party is called upon by BEML and/or VIL for any discussions, the Receiving Party will do so or meet BEML and/or VIL, as applicable, only after duly informing the Transaction Advisor in writing.
10. **NO BINDING OBLIGATION:** BEML reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without prejudice to the generality of the foregoing, nothing in this Undertaking (i) requires either the IP or BEML to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisors, BEML or VIL to enter into an agreement or an understanding, or prohibits the Advisors, BEML or VIL from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
11. **NON-SOLICIT CLAUSE:** For a period of 1 (one) year from the date of this Undertaking or till the completion of the Transaction, whichever is later, the Receiving Party shall not, directly or indirectly, solicit for employment or hire any employee of VIL.

12. **SELECTIVE DISCLOSURE:** The IP understands, acknowledges and agrees that BEML, the Advisors and VIL retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the IP's use of the Confidential Information. The IP also agrees that if it determines to proceed with the Transaction, its determination will be solely based on the terms of the definitive agreements as well as on its own investigation, analysis and assessment of its investment. Moreover, unless and until such agreements are entered into, neither BEML nor the IP will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.
13. **INDEMNITY:** The IP hereby indemnifies and agrees to hold the Advisors, BEML and VIL indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorised use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the IP also expressly agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, BEML or VIL will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisors, BEML and/or VIL. For the purpose of this Clause, an unauthorised use/disclosure or violation/breach by a Person representing an IP shall be deemed to be unauthorised use/disclosure or violation/breach by such IP itself and the obligation of a Person representing an IP shall be deemed to be an obligation of such IP itself.
14. **BENEFICIARIES OF THIS UNDERTAKING:** The IP understands, acknowledges, confirms and agrees that BEML, VIL and each of the Advisors are beneficiaries under this Undertaking. The IP further agrees and confirms that BEML, VIL and each of the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
15. **WAIVER CLAUSE:** The IP agrees that no failure or delay by the Advisors/BEML / VIL in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
16. **GOVERNING LAW:** This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
17. **NOTICES:** All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered airmail, postage prepaid, or by telex, facsimiles or email as follows.

If the notice is to the Transaction Advisor, to:

Designated Official
Resurgent India Limited

903-904, Unitech Business Zone, Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana – 122018
P +91-124-4754550
Email: Vildisinvestment@resurgentindia.com

With a copy to:

Designated Official
BEML Limited,
BEML SOUDHA, 23/1, 4th Main, SR Nagar, Bengaluru-560027, Karnataka, India.

AND

Designated Official
Department of Investment and Public Asset Management, Ministry of Finance
Government of India
Block No. 11, C.G.O Complex,
Lodhi Road
New Delhi 110003

If the notice is to BEML, to:

Designated Official of BEML, at the address given hereinabove

With a copy to:

Designated Official of Department of Investment and Public Asset Management, Ministry of Finance,
Government of India at the address given hereinabove

AND

Designated Official of Transaction Advisor at the address given hereinabove

**If the notice is to the Department of Investment and Public Asset Management, Ministry of Finance,
Government of India, to:**

Designated Official of Department of Investment and Public Asset Management, Ministry of Finance,
Government of India, at the address given hereinabove

With a copy to:

Designated Official of BEML, at the address given hereinabove

AND

Designated Official of Transaction Advisor at the address given hereinabove

If the notice is to the IP:

Name:

Designation:

Organisation name and address:

Tel no.

fax no.:

E-mail address:

Any of the IP, BEML, VIL or the Advisors may add/change/remove its address, telex, or email address by a notice given to the other in the manner set forth above. All notices and other communications shall be

deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by registered airmail or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorized representative of the IP on the date and year first hereinabove written.

Witnessed by: (Name of IP)
Name: By:
Address: Name:
Title:

Schedule 1

S. No.	Name of Advisor	Role of the Advisor
1.	Resurgent India Limited	Transaction Advisor
2.	IC Universal Legal	Legal Advisor
3.	R.K. Patel & Co.	Asset Valuer

ANNEXURE 7: POWER OF ATTORNEY-SOLE IP/CONSORTIUM

Power of Attorney for signing of Eoi

To all to whom these presents shall come, We..... (name of the entity) having our registered office at _____ (address of the registered office) do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at, who is presently employed with us/ the Lead Member of our Consortium and holding the position of, as our true and lawful attorney (hereinafter referred to as the “**Attorney**”) to do in our name and on our behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of shares (with transfer of management control) held by BEML Limited in Vignyan Industries Limited (“**VIL**”) including but not limited to signing and submission of all applications, participate in Pre-Bid and other conferences and providing responses to BEML/Transaction Advisor and generally dealing with TransactionAdvisor/VIL/BEML in all matters in connection with or relating to or arising out of our application for qualification for the Transaction (as defined in the invitation of Eoi dated ____) issued by Resurgent India Limited.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but defined shall have the meaning ascribed to such terms in the Eoi.

IN WITNESS WHEREOF WE, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF

.....

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

Name, Title and Address of the Attorney)

(To be duly notarized)

Notes:

- (c) *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized.*
- (d) *The IP should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the IP.*
- (e) *For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by IPs from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.*

ANNEXURE 8: FORMAT FOR CONSORTIUM AGREEMENT

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution)

THIS Consortium Agreement ("**Agreement**") executed on this _____ day of _____ Two thousand _____ between

1. M/s [**insert name of Lead Member**] _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-1**", which expression shall include its successors, executors and permitted assigns);
2. M/s _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-2**", which expression shall include its successors, executors and permitted assigns); and
3. M/s _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____ (hereinafter called the "**Member-3**", which expression shall include its successors, executors and permitted assigns),

for the purpose of submitting response to Advertisement dated XXX inviting Expression of Interest ("**Eoi**") for strategic disinvestment of equity stake of 96.56% in Vignyan Industries Limited ("**VIL**").

WHEREAS, each Member individually shall be referred to as the "**Member**" and all of the Members shall be collectively referred to as the "**Members**" in this Agreement.

WHEREAS, BEML had invited Eoi via advertisement dated XXX and also issued a Preliminary Information Memorandum dated [●] ("**PIM**") for strategic disinvestment of equity stake of 96.56% in VIL;

WHEREAS the Instructions for submitting Eoi stipulates that in case Eoi is being submitted by a Consortium of IPs, the Members of the Consortium will have to submit a legally enforceable Consortium Agreement in a format specified in invitation of Eoi.

All the terms used in capitals in this Agreement but not defined herein shall have the meaning as per PIM.

NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:

In consideration of the above premises and agreements all the Members in this Consortium do hereby mutually agree as follows:

1. We, the Members of the Consortium and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s _____), shall act as the Lead Member as defined in the Eoi for self and on behalf of Member-2, _____, Member-3 and to submit the Eoi;
2. We have formed Consortium comprising of _____ members as follows:

1. _____(Insert name)/% of Shareholding in the Consortium
2. _____(Insert name)/% of Shareholding in the Consortium
3. _____(Insert name)/% of Shareholding in the Consortium
3. We undertake that after the submission of the EoI, the composition of the Consortium shall be maintained for a period of 3 (three) years, if it is shortlisted as the successful IP. We further undertake that the shareholding of the Consortium shall be maintained per the requirement as set out in PIM.
4. The Lead Member is hereby authorized by the Members of the Consortium and Members to the Agreement to bind the Consortium and receive instructions for and on their behalf.
5. The Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members of the Consortium in discharging all of their respective obligations. It is clarified that each Member shall be individually liable for the performance of its part of the obligations without in any way limiting the scope of collective liability envisaged in this Agreement.
6. The Lead Member, on behalf of the Consortium, shall inter alia be responsible for liaising with any authority or persons as required.
7. In case of any breach of commitment by any of the Consortium Members, the Lead Member shall be liable for the consequences thereof.
8. Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Lead Member under these presents.
9. The Lead Member shall be liable irrespective of its scope of work or financial commitments.
10. This Agreement shall be construed and interpreted in accordance with the Laws of India and courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto and arising thereunder.
11. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid until the expiration or early revocation/termination of the terms thereof, unless expressly agreed to the contrary by BEML.
12. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in EoI.
13. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under the EoI except with prior written consent of BEML.
14. This Agreement
 - (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
 - (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof;
and

(iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of BEML.

IN WITNESS WHEREOF, the Members have, through their authorized representatives, executed these present on the Day, Month and Year first mentioned above.

For M/s _____ **[Member 1]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:
Address:

For M/s _____ **[Member 2]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership [●])

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:
Address:

For M/s _____ **[Member 3]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:
Address:

[Signature and stamp of Notary of the place of execution]

ANNEXURE 9: DECLARATION (Conviction/Investigation)

(To be forwarded on the letterhead of the sole IP /each member of the Consortium submitting the Eoi)

DECLARATION

1. We solemnly declare that we or our Director(s), CEO or principal officers are not convicted by any court of law or are indicted or have received any adverse order from regulatory authority relating to a grave offence with regard to matters other than the security and integrity of the country.

Grave offence for this purpose shall include

- a) What constitutes "Fraud" under the provisions of the SEBI Act, 1992 and any of the regulations, rules, circulars, notifications, etc. made thereunder
 - b) SEBI orders on the IP casting doubt on the ability of the IP to hold the stake in VIL
 - c) Any conviction by a court of law
 - d) In case of SEBI's order of prosecution, disqualification will arise only on conviction by court of law.
2. We further declare that we or our associate companies have not been issued a charge sheet by any Governmental Authority or convicted by a court of law for any offence with regard to matters relating to the security and integrity of the country.
 3. We further declare that we, our associate company, our Director(s), CEO, principal officers, employees are not under any investigation pending before any regulatory authority or other authority.
 4. We declare that complete information as required is provided in the Eoi and/or Statement of Legal Capacity.

(Name and signature of Authorised Signatory)

(IPs' name)

(IPs' Address)

In case any IP is unable to give above undertaking in view of any conviction, indictment, order or investigation as above full details of the same shall be provided including names of persons involved, designation, charge/offence, ordering/investigating agency, status/outcome, etc. with supporting/relevant documents. Any entity, which is disqualified from participating in the Transaction, shall not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.

ANNEXURE 10: DECLARATION (Confidentiality)

(To be forwarded on the letterhead of the sole IP /each member of the Consortium submitting the Eoi)

DECLARATION

1. We solemnly declare and undertake not to, directly or indirectly, communicate with any officer/employee of BEML or MoD or VIL either before or after submission of our Eoi.
2. We further declare that we shall not, directly or indirectly, disclose our intent/willingness to participate as an Interested Party (IP) in Eoi process to any officer/employee of BEML or MoD or VIL at any time from the date of issue of this Eoi.

(Name and signature of Authorised Signatory)

(IPs' name)

(IPs' Address)

ANNEXURE 11: UNDERTAKING FOR SOLE IP (Lock-in-period)

(To be forwarded on the letterhead of the sole IP)

1. We solemnly declare and undertake to lock-in our entire shareholding in the Company that we may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.
2. We further declare and undertake not to dilute our shareholding below 51% in the Company that we may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.
3. We further declare and undertake that we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
4. We further declare that we shall not dispose off the freehold land admeasuring 11 acres and 12 guntas situated at Tarikere (Chikkamagaluru district, Karnataka) and factory building appurtenant thereto, that is owned by the Company, for a period of 3 (three) years from the date of completion of the Transaction.

(Name and signature of Authorised Signatory)

(IPs' name)

(IPs' Address)

ANNEXURE 12: UNDERTAKING FOR CONSORTIUM (Lock-in-period)

(To be forwarded on the letterhead of each Consortium Member)

1. We undertake to lock-in entire shareholding in the Company that Investment Vehicle, duly incorporated by the Consortium, may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.
2. We undertake that we shall not sell our stake in the Investment Vehicle, duly incorporated by the Consortium, for a period of 3 (three) years from the date of the completion of the Transaction.
3. We undertake not to dilute shareholding in the Company below 51% that Investment Vehicle may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.
4. We further declare and undertake that we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis.
5. We further declare that we shall not dispose off the freehold land admeasuring 11 acres and 12 guntas situated at Tarikere (Chikkamagaluru district, Karnataka) and factory building appurtenant thereto, that is owned by the Company, for a period of 3 (three) years from the date of completion of the Transaction.

(Name and signature of Authorised Signatory)

(IPs' name)

(IPs' Address)

ANNEXURE 13: AFFIDAVIT FOR CERTIFICATION OF DOCUMENTS

(To be duly executed and adequate stamp duty to be paid by the IP/ Members of Consortium with respect to this document.)

AFFIDAVIT

I, [name] aged [age] years, resident of [address] working as [designation] an Authorised Signatory on behalf of [name of the Interested Party] (“Interested Party” or “IP”) hereby state on solemn affirmation or oath as under:

1. I am the [designation of the deponent] of the Interested Party. I am conversant with the facts and circumstances surrounding the subject of this affidavit [and have been authorised to depose to the same pursuant to the power of attorney dated [date] issued pursuant to [particulars of corporate approval]]. I am filing this affidavit to place on record verification of facts and documents in connection with the bidding process concerning strategic disinvestment of [●].
2. I state that I have reviewed the contents of the PIM and EOI and the requirements of each of them in relation to the strategic disinvestment of [●] and also the terms and conditions thereof.
3. I state that all documents and information submitted with the EOI of [insert name of the IP] has been personally verified and has also been verified by the concerned authority within [insert name of the IP].

[Insert separate paragraphs for each information/ document physically submitted with the Transaction Advisor, in a chronological sequence].

4. I state that each of the documents submitted is true, correct and complete in all respects and that nothing has been concealed in the information submitted as mentioned above.
5. I understand that in case of any untrue, incomplete or incorrect information is submitted, the EOI/Bid submitted by [insert name of the IP] shall be liable to be disqualified.
6. I state that, in the event [insert name of the IP] are attracted by any of the disqualifications or any other factor which makes us ineligible in terms of the PIM during the pendency of the process of Strategic Disinvestment.
7. I state that, in the event of any change in the information or documents submitted by [insert name of the IP], we the [insert name of the IP] shall immediately notify the Advisor along with the copy of all the relevant documents.
8. This Affidavit has been provided by me and on behalf of [insert name of the IP] for the purpose of confirming the correctness, completeness and validity of all documents and information submitted by [insert name of the IP] in relation to Strategic Disinvestment of [●].

Solemnly affirmed and verified on this [day] day of [month] [year] at [place].

Before me

(Signature of Deponent)
Name, Designation & Address of Deponent

[particulars of notarisation]
Name, Designation & Address

ANNEXURE 14: DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT GUIDELINES

No. 3/9/2016-DoD-II-B
Government of India
Ministry of Disinvestment
Block 14, CGO Complex
New Delhi.

Dated: 28th September 2017

OFFICE MEMORANDUM

Sub: Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE-disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like net worth, experience etc. used to be prescribed. Based on experience and in consultation with concerned departments, Government has decided to prescribe the following additional criteria for the qualification / disqualification of the parties seeking to acquire stakes in public sector enterprises through disinvestment:

- (a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment/ adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. 'Grave offence' is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government. 'Grave Offence' would include the below noted cases:
- a. Only those orders of SEBI are to be treated as coming under the category of 'Grave Offences' which directly relate to 'Fraud' as defined in the SEBI Act and / or regulations.
 - b. Only those orders of SEBI that cast a doubt on the ability of the bidder to manage the public-sector unit, when it is disinvested, are to be treated as adverse.
 - c. Any conviction by Court of Law.
 - d. In cases in which SEBI also passes a prosecution order, disqualification of the bidder should arise only on conviction by the Court of Law.
- (b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government / conviction by a Court of Law for an offence committed by the bidding party or by any sister concern of the bidding party would result in disqualification. The decision in regard to the relationship

between the sister concerns would be taken, based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons.

- (c) In both (a) and (b), disqualification shall continue for a period that Government deems appropriate.
- (d) Any entity, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- (e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.
- (f) Before disqualifying a concern, a Show Cause Notice why it should not be disqualified would be issued to it and it would be given an opportunity to explain its position.
- (g) Henceforth, these criteria will be prescribed in the advertisements seeking Expression Of Interest (Eoi) from the Interested Parties. The Interested Parties would be required to provide the information on the above criteria, along with their Expressions of Interest (Eoi). The bidders shall be required to provide with their Eoi an undertaking to the effect that no investigation by a regulatory authority is pending against them. In case any investigation is pending against the concern or its sister concern or against its CEO or any of its Directors/Managers/employees, full details of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be obtained along with Eoi.

-sd/-

(Aseemkumar Jha)
Under Secretary to the Government of India

ANNEXURE 15: CRITERIA FOR EMPLOYEES PARTICIPATION IN THE TRANSACTION

As per the Circular No. 4/38/2002/DD-II dated April 25, 2003 (“Employee Guidelines”) which is annexed as Annexure 17, employees of VIL (“Employees”) are permitted to participate in the Transaction as IPs either (a) directly and independently (“Direct Employee Participation”) or (b) by forming of a Consortium (“Employee Consortium”) and subject to the following:

1. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall necessarily comply with each of the applicable conditions and provisions of the Employee Guidelines.
2. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall be subject to the same terms and conditions, process, instructions, criteria’s, disqualifications, etc. which are applicable to other IPs in this PIM/Eol and shall ensure compliance of the same. In case of any conflict between the terms and conditions, process, instructions, criteria’s, disqualifications, etc. and the Employee Guidelines, the Employee Guidelines shall apply.
3. Employees participating either through Direct Employee Participation or by forming an Employee Consortium shall be required to provide such additional documents, confirmation, undertakings and information as the TA may require so as to evaluate the Eol (including eligibility criteria) submitted by such Employees or Employee Consortium.
4. BEML and TA may provide for such further clarifications, conditions, criteria’s as it may deem necessary for the purposes of Employees to participate.
5. Subject to paragraph 7, the forms and format to be submitted by the Employees, in case in of Direct Employee Participation shall be the same as that of a sole- IP mentioned in this document.
6. Subject to paragraph 7, the forms and format to be submitted by the Employees and Consortium members of Employee Consortium, in case of employees participating through an Employee Consortium, shall be the same as that of a Consortium IP.
7. In the forms and format, the details of the participating Employees shall be provided in the following format:

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)
(1)	(2)	(3)	(4)	(5)	(6)

8. Each form and Eol submitted by Employees (whether as Direct Employee Participation or Employee Consortium) shall be accompanied by a duly executed Power of Attorney where Employees forming part of such participation shall appoint one participating Employee to be their lawful attorney for submission of Eol and connected documents and be the lawful attorney of the other participating Employee. The format of the Power of Attorney is annexed as Annexure 16.

ANNEXURE 16: POWER OF ATTORNEY FOR EMPLOYEES PARTICIPATION

(TO BE STAMPED ON Rs. 1000 STAMP PAPER AND NOTARIZED)

Special Power of Attorney

To all to whom these presents shall come, I son/daughter/wife of and presently residing at being presently employed with [●], having employee code [●] do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name).....son/daughter/wife of and presently residing at _____, who is presently employed with [●].

NOW KNOW YE MEN ALL AND THESE PRESENTS WITNESSETH I, [●], do hereby irrevocably nominate, constitute and appoint ----- as my true and lawful attorney (hereinafter referred to as the “Attorney”) to do in my name and on my behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of shares (with transfer of management control) held by BEML Limited in Vignyan Industries Limited (“VIL”) including but not limited to signing and submission of all applications, participate in conferences, if any and providing information/ responses to BEML/Advisor and generally dealing with BEML/Advisor/Company in all matters in connection with or relating to or arising out of our application for qualification for the Transaction as defined in the Eoi dated [●] issued by the Resurgent India Limited.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but defined shall have the meaning ascribed to such terms in the Eoi.

IN WITNESS WHEREOF WE, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF

.....
(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted
Name, Title and Address of the Attorney)

(To be duly notarized)

Notes:

1. *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same*

should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized.

- 2. Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder. § For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostle certificate.*

ANNEXURE 17: DIPAM GUIDELINES FOR EMPLOYEES BID

No.4/38/2002/DD-II
Government of India
Ministry of Disinvestment

Block No. 14, CGO Complex
Lodi Road, New Delhi
Dated: 25th April 2003

OFFICE MEMORANDUM

Subject: – Guidelines for management-employee bids in strategic sales

1. Employee participation and protection of employee interests is a key concern of the disinvestment process. The practice of reserving a portion of the equity to be disinvested for allocation to employees, at concessional prices, has been adopted in a number of cases. It is necessary and expedient to evolve and lay down guidelines to encourage and facilitate management-employee participation in strategic sales and thus to acquire controlling stakes and manage disinvested public-sector undertakings. The undersigned is directed to state that Government has, therefore, decided to lay down the following guidelines for evaluating employee/management bids: -
 - (i) The term 'employee' will include all permanent employees of a PSU and the whole-time director on the board of the PSU. A bid submitted by employee or a body of employee will be called an "employee bid".
 - (ii) At least 15% of the total number of the employees in a PSU or 200 employees, whichever is lower, should participate in the bid.
 - (iii) An employee bid would be exempted from any minimum turn over criterion but will be required to qualify in terms of the prescribed net worth criterion. They will be required to follow the procedures prescribed for participation by Interested Parties in the process of strategic sales including, but not limited to, filling the expression of the interest along with all details, as applicable to other investors, furnishing of bank guarantee for payment of the purchase price etc.
 - (iv) Employees can either bid directly and independently or, for the purpose of meeting the financial criteria the like net worth, can form a Consortium or bid through a joint venture (JV) or a special purpose vehicle (SPV), along with a bank, venture capitalist or a financial institution. However, employees will not be permitted to form consortia with other companies
 - (v) If the bidding entity of the employees is a Consortium, JV or SPV, employees must have a controlling stake and be in control of the bidding entity.
 - (vi) If the bid is submitted through a Consortium, JV or SPV, employees must contribute at least 10% of the financial bid.
 - (vii) If the employees form a Consortium, the Consortium partners would be prohibited from submitting individual's bids independently
 - (viii) If it is not highest bid, the employee bid shall be considered only if the said bid is within 10% of the highest bid.

- (ix) The employee bid shall, subject bid fulfilling the conditions above, have the first option for acquiring the shares under offer provided they match the highest bid being equal to or more than the reserve price.
 - (x) If the employee bid is not the highest bid and there are more than one employee bids within the 10% band, the highest of the employee bids will have precedence for purchase at the highest bid. If such employee bidder is unwilling or unable to match the highest bid, the option will pass on to the next highest employee bid and so on till all the employee bids, within the 10% band, are exhausted.
 - (xi) In the event of no employee bidder, within the 10% band, being willing or able to match the highest bid, the shares under offer will be sold to the highest bidding entity.
 - (xii) There will be a lock in period of three years for the shares disinvestment by the Government.
2. All the bidders for the management-employee buy-outs will also have to satisfy the provisions of the 'Guidelines for qualification of bidders seeking to acquire stakes in Public sector Enterprise through the process of disinvestment' issued vide the then Department of Disinvestment's Office Memorandum No. 3/9/2016-DoD-II-BI dated: 28th September, 2017 or as amended subsequently along with other qualification criterion as generally applicable and not specifically excluded herein.

sd/-

(T.S. Krishnamachari)

Deputy Secretary to the Government of India