

REQUEST FOR PROPOSAL (RFP) FOR SELECTION OF ASSET VALUER FOR VALUATION OF ASSETS OF DURGAPUR CHEMICALS LIMITED

Request for proposal (RFP) is invited by the Durgapur Chemicals Ltd (DCL) from Valuation Agencies empanelled by Finance Department, Government of West Bengal vide Memo No. 3545-F(Y) dated 17.12. 2020 & No. 6554-F(4) dated 14.12.2023 for undertaking a Valuation of all assets of DCL.

Data Sheet		
SI No.	Items	Description
1	Name of the Inviting Entity	Durgapur Chemicals Limited (A Government of West Bengal Enterprise) 6, Little Russell Street Kolkata – 700 071 (hereinafter Kolkata HO)
2	Release of RFP date	30/05/ 2024
3	Pre-bid meeting	11/06/2024, at 11.00 AM at Kolkata HO
4	Last date of submission of RFP response	21/06/ 2024, at 4.00 PM at Kolkata HO
5	Mode of Submission	Hard copy in sealed envelope through courier / hand delivery
6	Opening of Technical Bid	24/06/ 2024 at 12:00 noon at Kolkata HO
7	Opening of Financial Bid	To be intimated later
8	Declaration of short-listed firms	To be intimated later
9	EMD Details	Rs.50,000 (Rupees fifty thousand only) to be submitted in the form of DD drawn in Favour of Durgapur Chemicals Ltd Payable at Kolkata
10	Name, Address and E-mail to be used for correspondence	The Managing Director Durgapur Chemicals Ltd. 6, Little Russell Street Kolkata – 700 071
11	Point of Contact, in case of any query/clarifications required	Phone : 9800122538- E-mail ID :

Note:

1. Above mentioned dates are tentative.
2. DCL reserves the right to change dates without assigning any reasons thereof.
3. If a holiday is declared on the dates mentioned above, the proposals shall be received and opened on the next working day at the same time specified above and at the same venue unless communicated otherwise.

1. Background

Durgapur Chemicals Ltd. (DCL) was incorporated on 31st July 1963 as a wholly owned company of Government of West Bengal. DCL commenced commercial production of products like Phenol, Phthalic Anhydride, Mono-chloro Benzene, Pentachloro Phenol, Caustic Soda, Chlorine, and Hydrochloric Acid in the year 1968. However DCL has been incurring continuous losses and there was a key requirement of investment in the infrastructure of the company.

The Government of West Bengal in its cabinet meeting dated 17th August 2016 has provided approval for the complete stake sale of Durgapur Chemicals Limited, by way of strategic disinvestment of the entire equity shareholding of Government of West Bengal.

As on 31st March 2022, DCL's authorized capital is INR 39.30 crores divided into 3.93 crore equity shares of INR 10 each. The paid-up share capital of the company is INR 23.59 crore with 100% holding being with the Government of West Bengal.

As part of the disinvestment exercise, the management, and control of DCL will be transferred to the Confirmed Selected Bidder for the purpose of setting up a chemical and allied Industry through a transaction structure which includes purchase of shares of DCL.

DCL proposes to engage an Asset Valuer for valuation of all assets of DCL as per guidelines of Department of Investment and Public Asset Management

2. Broad Scope of Work.

The broad scope of work for the Asset Valuer is to carry out valuation of all assets DCL including but not limited to:

- Land
- Buildings including office, factory as well as township.
- Other Civil Infrastructure like roads, drains, compound wall, etc.
- Plant & Machinery (including electrical)
- Any other item as deemed proper in terms of extant guidelines.

on an "as is where is basis" as well as on a "highest and best use basis"

The valuation exercise shall include the following.

- a) Clearly identify and describe the asset being valued.
- b) Conduct due diligence and review of the location, site plans, plant & machinery.
- c) Conduct due diligence on planning approvals / reservations from various regulatory authorities as applicable, lay outs etc.
- d) Review of physical encumbrances, if any
- e) Collection of information of matters like market information, quotations and offers of similar assets sold or available in close proximity to the subject property and conduct due diligence of these information.
- f) Conduct Valuation of the assets by any one or a combination of the following methods:
 - a. Comparison Method
 - b. Income Capitalisation
 - c. Discounted Cash Flow
 - d. Cost Approach method,
 - e. Or any other generally accepted valuation methods.
- g) Provide justification and assumption for methods adopted.

- Provide justification for selecting the appropriate method for valuation.
 - Enumerate the assumptions used in the method.
 - State any limiting conditions that may affect the analysis, opinions, and conclusions.
 - Provide sufficient information to permit those who read and rely on the report to fully understand the data, reasoning, analyses and conclusions underlying Asset Valuer`s findings, opinions and conclusions.
- h) Provide all other information as required for computation of an enterprise value of the company.
- i) Reporting:
- (i) Prepare the valuation report in a manner which is comprehensive, accurate, and not in any way misleading. The Valuer shall prepare a draft report and make detailed presentations on the same as may be requested by Authority.
 - (ii) Final Valuation Report shall be prepared, incorporating the change/ modifications as may be suggested by the authority. The Final Valuation Report shall include the following:
 - Approach & Methodology followed.
 - Valuer assessment on the aspects mentioned above and other considerations taken in valuation of assets and how these have been considered in arriving at the values.
 - Fair value of the fixed assets covering land, building, plant and machinery and other fixed assets, indicating the following
 - **Land**- Land and title details, values arrived at with reference to various sources /methods, final recommended value etc.
 - **Building**- Specifications, condition computation of fair value (Such as details) regarding current costs, depreciation for past usage, additional cost required for repair & renovations, etc.)
 - **Plant and machinery**- Specification, condition, computation of fair value (Such as details regarding current costs, depreciation for past usage, additional cost required for repair & renovations, etc.)
 - **Other Fixed Assets**: Specifications, condition, depreciation for past usage and additional cost required for repair and renovation, values arrived at with respect to various sources/methods.
 - Any other matter which the Valuer in his own judgement feel is worth indicating.
 - Replacement Value and Realisable Value for the above assets must be shown separately. If in the opinion of the valuer certain Assets are likely to realize only scrap value, the same should be clearly indicated with suitable justifications for the same.

The process should strictly follow all guidelines of Department of Investment and Public Asset Management, Govt of India for valuation of assets and disinvestment and other Govt. guidelines in this regard.

3. Eligibility Criteria

Only valuation Agencies empanelled by Finance Department, Government of West Bengal vide Memo No. 3545-F(Y) dated 17.12. 2020 read with No.6554-F (4) dt.14/12/2023 shall be eligible to participate in the bid

4. Pre-bid Meeting

The interested bidders are required to send in their queries, if any, positively through e-mail one day before the pre-bid meeting to the officer authorized to receive the bid as provided in the following section. The Pre-bid Meeting shall be

held as per schedule given in Data Sheet through video conference. The link for video conference shall be made available only to bidders who have sent the queries.

5. Formats for Submission of Proposal

5.1 Documents comprising the Proposal.

Proposals are to be submitted in 2 (two) separate envelops as per the following instructions:

a) Envelop-1: Technical Proposal

- (i) EMD of Rs. 50,000 (Rupees Fifty Thousand Only) in favour of DCL
- (ii) Covering letter on Letter Head of Company/ Firm for bid submission by the Bidder.
- (iii) Authority letter authorizing the person to sign the proposal and other documents on behalf of the bidder.
- (iv) General particulars of the Bidder, as per the Format at Annexure-1.
- (v) Confidentiality Undertaking in the Format at Annexure-2.
- (vi) Certificate on unconditional bid in the format at Annexure-3. Please note that bids with conditionality shall be summarily rejected.
- (vii) Affidavit regarding no conviction and no conflict of interest, as per Annexure 4.
- (viii) Technical bid along with all schedules, certificates & annexures, CV of key personnel et., duly page numbered and signed by authorized signatory of Bidder as specified in clause 5 above.
- (ix) Audited Financial report of last 3 (three) years or financial reports.

b) Envelope-2: Financial Proposal

Bidder should furnish financial bid in the format as per Annexure-V and super-scribe the cover with the RFP reference.

7.1 Submission of proposal.

- a) The proposal in hard copies in original, duly signed by the authorized signatory of the firm should be submitted latest by 1600 hours on 21st June, 2024 at the following address.

Managing Director
Durgapur Chemicals Ltd.
6, Little Russell Street
Kolkata - 700 071

- b) No proposal will be entertained after the appointed time and date.
- c) DCL will not be responsible for any postal/ courier delay. The proposals received after the appointed time and date will be summarily rejected.

6. Procedure for Selection of Asset Valuer

- a) Bidders who submit the proposal may be required to make a presentation in respect of their Proposal before the Tender Evaluation Committee (TEC) on a date and time to be intimated later by the DCL.

7. Requirement of Financial Bid

- a) The applicant is required to quote a lump sum fee in Indian Rupees and gross of all taxes applicable and payable as per law.
- b) The fee quoted should be unconditional and inclusive of all expenditure. It may be noted that no time limit can be prescribed for validity of the financial bid.
- c) The fee to the selected asset valuer shall be paid in Indian Rupees after successful completion of the assignment.
- d) DCL reserves the sole right to accept or reject any or all proposals thus received or to cancel the RFP, without assigning any reason thereof.

8. Terms of Payment

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

- (i) 20 % of the fee quoted to be paid after the submission and approval of inception Report; pertaining to the valuation of the Assets of DCL
- (ii) 80 % of the fee quoted to be paid after the acceptance of Final Report by the DCL.

9. Completion Period

The Bidders are required to complete the aforesaid services/work and submit its Valuation Report in all respects within a period of **3 months** from the date of issue of appointment letter. Notwithstanding the submission of the Valuation Report, the DCL shall have the right to call upon the Valuer for making presentations or its report before any committee or officials of the DCL/Government and to respond to any queries / clarifications as the DCL/Government may seek and further, to provide support to the DCL/Government on valuation issues post submission of final report.

Annexure-1

General Particulars of Bidders

1. **Name of Bidder**
2. **Address with Telephone for communication**
3. **Name, designation, mobile no. and email of contact person**
4. **Please state details of refundable fee/Earnest Money Deposit (EMD)**
 - (i) **DD No and date or UTR No. & date**
 - (ii) **Amount**
 - (iii) **Bank Name**
5. **Details confirming that the bidder is a Valuer registered with Income Tax Department/ Reserve Bank of India/ CPWD/ Scheduled Commercial Banks/ Insolvency Bankruptcy Board of India. (Please attach supporting documents)**
6. **State whether certificate of confidentiality enclosed.**
7. **State whether the affidavit-cum-undertaking relating to no conviction and non-conflict enclosed.**
8. **Confirm that all technical and commercial terms and conditions are acceptable.**

Seal with Signature of the authorized signatory of the bidder

Annexure 2

Confidentiality Undertaking

It is certified that any and all information provided to [Name of the bidders] by DCL or any of its subsidiaries or affiliates shall be deemed to be Confidential Information (whether marked "confidential" or not) and [Name of the bidders] shall safeguard the said Information with a great degree of care to ensure its confidentiality. [Name of the bidders] will use such information solely for the purpose for which it was disclosed and will not disclose, distribute, or disseminate the information to any third party (except its own employees on a need to know basis and after ensuring that they are made aware of and undertake to treat all such information as confidential). The period for which such information shall be treated as confidential is 5 (five) years from the date of its disclosure, irrespective of the period of the agreement or its earlier termination. [Name of the bidders] agrees that damages is not an adequate remedy to DCL in case of any unauthorized disclosure and DCL, shall have full rights to obtain any mandatory or injunctive relief from a Court to enforce this provision of confidentiality. In case [Name of the bidders] is declared a successful bidder and is engaged by DCL for this engagement, [Name of the bidders] shall sign a confidentiality agreement with DCL.

It is further certified that the valuation report and other relevant documents, which are to be submitted by [Name of the bidder] to DCL will not be disclosed to any other agency / person without prior permission of DCL and will be treated as strictly confidential.

Seal with Signature of the authorized signatory of the bidder

Annexure-3
Format of Unconditional Bid
(On the letterhead of Bidder)

To,

Managing Director
Durgapur Chemicals Ltd.
6, Little Russell Street
Kolkata - 700 071

Ref.: Request for proposal No.----- dated-----

Dear Sir,

This is to certify that the fee quoted by us for engagement as Asset Valuer for valuation of the assets of DCL is in accordance with the terms and conditions laid down in the RFP No.----- dated----- and is unconditional.

Seal with signatures of authorized signatory of the Bidder

Annexure-4
Affidavit-Cum-Undertaking

We, the undersigned ("Bidder") are submitting our bid in respect of the Request for Proposal No , Dated ("Bid") issued by DCL in relation to asset valuation of DCL under administrative control of Department of Public Enterprises and Industrial Reconstruction, Government of West Bengal. We hereby solemnly affirm, declare and undertake as follows:

1. Details of the Bid as disclosed in Appendix-A enclosed herewith are true and correct as on date.
2. There has been no conviction by any court of law or indictment/ adverse order by any statutory or regulatory authority for a Grave Offence against us or any of our promoters or directors.
3. No enquiry/investigations for any Grave Offence is pending against us or any of our directors, managers and/or other Senior Managerial Personnel by any regulatory authority and/or government agency.
4. The details of enquiry/investigations for non-Grave Offences pending against us/our directors, managers and/or other Senior Managerial Personnel by any regulatory authority and/or government agency are disclosed in Appendix-B enclosed herewith.
5. There are no Conflicts of interest with respect to the Proposed Transaction as on date.
6. During the tenure of our engagement for the Proposed Transaction, we shall keep DCL informed, without delay, of any situations, circumstances, relationships, possible source or potential areas of Conflict of interest in the format enclosed as Appendix-C herewith and we shall not take up work in relation to any such assignment without obtaining prior approval of the DCL and granting of such approval shall be the sole discretion of DCL and shall be binding on us.
7. We ourselves and/or for/with or in association with or on behalf of or through any other Entity, shall not take up any advisory or consulting assignment or render any services on a similar transaction or any other transaction which could have a direct Conflict of Interest, in any manner or capacity to a Competitor of the DCL during the term of our engagement in respect of the Proposed Transaction without prior written approval of the DCL and granting of such approval shall be the sole discretion of DCL and shall be binding on us.
8. We have put in place a robust mechanism to resolve any Conflict of interest situations and circumstances that may arise or result while conducting our business or rendering of services and where-so-ever any Conflict of Interest or potential for Conflict of Interest may arise, we shall take reasonable steps to resolve the same forthwith in a fair and equitable manner. During the term of our engagement we shall ensure to and continue to exercise adequate due diligence for identifying and removing any areas, source, situations and circumstances of conflict and mitigating the effects of such conflicts to the satisfaction of DCL, in case any such Conflict of interest (or apparent conflict of interest) arises or results in relation to the Proposed Transaction.
9. We have laid down an internal code of conduct for governing our internal procedures and operations and have prescribed the standards of appropriate conduct for our employees and officers for carrying out their duties and responsibilities with a view to appropriately ensuring proper maintenance of professional excellence and standards with integrity, confidentiality, objectivity and have made provisions for identification, avoidance and resolution of conflict of interests and for disclosure of shareholdings and interests, etc., in terms of applicable laws.
10. We understand that:
 - a. In cases where existing Conflict of Interest (or apparent conflict of interest) is not disclosed by us, DCL would be entitled to initiate appropriate actions to eliminate or address or mitigate or neutralize the conflict through or by restricting or modifying the Work to be performed by us in respect of the Proposed Transaction. DCL may also terminate our engagement for the Proposed Transaction, in whole or in part, if such termination is absolutely necessary in view of DCL, to avoid the appearance of a Conflict of Interest.
 - b. DCL would be entitled to terminate our appointment if any of the affirmation/declaration/undertaking given by us is found to be false or misleading in any manner or not adhered or fulfilled or complied by us.
 - c. If at any time after our appointment as an Asset Valuer, either we or the respective promoters/directors is convicted by a court of law in India or any indictment/ adverse order is passed by a regulatory authority in India

for a Grave Offence, we shall stand disqualified from continuing as Asset Valuer to DCL and shall be bound to inform DCL without any delay and shall voluntarily withdraw from the Proposed Transaction failing which DCL may terminate our appointment after giving an opportunity of being heard.

11. Definitions

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

- a) **Asset Valuer** means the Bidder and includes bidder(s) who have been selected for the Proposed Transaction by DCL in terms of the Bid.
- b) **Conflict of Interest:** Conflict of interest in relation to the Proposed Transaction shall without limitation be deemed to exist or have arisen if:
 - (i) The Asset Valuer whether itself and/or for/with or in association with/or on behalf of or through any other Entity is engaged in any activity or business which would or may be reasonably expected to directly or indirectly, materially adversely affect the interest of DCL or any such activity/association would or may impair, his ability to render fair, impartial, technically sound and objective assistance or advice, or unbiased services or may result in it being given an unfair competitive advantage to any other person.
 - (ii) The Asset Valuer, whether itself and/or for/with or in association with/or on behalf of or through any other Entity is engaged in advising and/or have taken up engagement for advising/consulting any other Entity whether under a formal engagement or otherwise in relation to any transaction/matter ("Third Party Transaction") which would or may be reasonably expected to directly or indirectly, materially adversely affect the interest of DCL.
 - (iii) The Asset Valuer has any business or financial interests in any other Entity that would impair, or give the appearance of impairing, impartial decisions in relation to Proposed Transaction, in offering any advice, recommendations or providing technical assistance or other services to DCL as part of Asset Valuer's engagement obligations/duties. iv. Any other situation, possible source or potential areas of interests which may impair Asset Valuer's ability to render fair, impartial, technically sound, and objective assistance or advice, or unbiased services or in conflict of their professional duties towards DCL in respect of the Proposed Transaction or result in it being given an unfair competitive advantage to any other person.
- c) **Company** means DCL.
- d) **Competitor of the Company** means an Entity in India or abroad that is engaged in the business substantially similar to the business of the Company. Business of an Entity shall be deemed to be substantially similar to the business of the Company if turnover or profit of such Entity from the business activity(ies) in which the Company is engaged, exceeds 33% of its total turnover or profit (in any of the last three years).
- e) **Entity** shall mean and include an individual, proprietorship, HUF, an association of person/body of Individuals, a partnership firm, limited liability partnership, company or any other persons.
- f) **Grave Offence** means offences of such nature that it materially affects the reputation, business or operations adversely or outrages the moral sense of the community and such other offences which may be considered by DCL as grave on case to case basis after considering the facts and relevant legal principles.
- g) **Proposed Transaction** means the transaction to be undertaken by DCL as described in RFP Bid No DCL/MD/24-25/66 dated 30.05.2024 issued by DCL.
- h) **Senior Managerial Personnel's** means Managing Director, Company Secretary, Chief Executive Officer, Chief Financial Officer or persons having equivalent positions and all such other employees of the Entity who are members of its core management team including Board of Directors comprising all members of management one level below the executive directors and include the functional heads.
- i) **Sister Concern** in relation to the Asset Valuer, means any Entity in which the Asset Valuer has a significant influence or which has "significant influence" over the Asset Valuer and includes a group and a joint venture company. "Significant influence" means holding of at least twenty percent or more of total voting rights or the power to participate in and influence the management, financial or operating policy decisions of that Entity, or of business decisions under an agreement or has twenty percent profit sharing in such Entity.

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

Appendix A : Bidder Details

Name of the Bidder	
Address: Registered Office: Corporate Office Tel: Email:	
Constitution	Company/Partnership/LLP/Others
Registration No.	
Details of registration with other professional statutory bodies	

Seal with Signature of the authorized signatory of the bidder

Appendix-B Details of Pending Enquiry/ Investigations

Sl No	Name of sister concern/Concern Person against whom the enquiry/investigation has been initiated	Relationship with the bidder	Name of the Investigating Agency	Nature of pending enquiry/investigation and law under which the enquiry has been initiated	Brief facts/interim orders/ other relevant information in respect of the pending enquiry/investigation

Seal with Signature of the authorized signatory of the bidder

Appendix C

Details of Present/Potential Conflicts/Facts or Interests that May be Deemed as Potential Conflict of Interest

SI No	Name of the entity in which interest conflicts exists/may arise	Relationship with the bidder entity	Nature/reason of the conflict/potential conflict	Duration of the subsistence of conflict, if any.	Such other information as may be relevant and material in deciding whether there is a conflict potential/ conflict of interest.

Seal with signatures of authorized signatory of the Bidder

Annexure-V
Format of Price Bid
(On the letterhead of the bidder)

To,

Managing Director
Durgapur Chemicals Ltd.
6, Little Russell Street
Kolkata - 700 071

Ref.: Request for proposal No.----- dated-----

SI No	Item	Fee in Figures (Excluding GST)	Fee In words (Excluding GST)
1	Fixed Lump-Sum Fee in Indian Rupees excluding GST All other duties and expenses will be borne by--- --[name of the bidder]		

Note:

1. In case of mismatch in figure and the words quoted; the fee in words will be taken as correct/ or all purposes.
2. Since the bid is exclusive of GST, any additional liability of tax that may arise either on account of change in tax rate or additional taxes by the Central or State Governments, shall be the responsibility of the bidder.

Seal with signatures of authorized signatory of the Bidder

