

No.5-l(7)/2013-P.E.X (Pt.)
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Heavy Industry
(P.E. X Section)

Udyog Bhawan, New Delhi
Dated: 25th September, 2013

Request for proposal

Department of Heavy Industry looks after, inter-alia the administrative matters relating to HMT Ltd. and its subsidiaries viz. HMT Machine Tools Ltd., HMT Watches Ltd., HMT Chinar Watches Ltd., HMT Bearings Ltd. and HMT International Ltd. It is proposed to have a feasibility study of all the six units of HMT Machine Tools Ltd. in order to convert each of the units into a separate company. The six units of HMT Machine Tools Ltd. are located in Bangalore (Karnataka), Hyderabad (Andhra Pradesh){2 units}, Pinjore (Haryana), Ajmer (Rajasthan) and Kalamassery (Kerala).

2. Proposals are hereby invited for financial bids from consultants for undertaking the study indicated above. Terms of Reference (ToR), eligibility conditions etc. are available in the website of the Department of Heavy Industry website: www.dhi.nic.in.

3. The proposal may be submitted in sealed cover by 1430 hrs of 23rd October, 2013 to the Under Secretary (P.E.X), Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India, Room No.431, Udyog Bhawan, Rafi Marg, New Delhi-110011. The financial bids will be opened on 23rd October, 2013 at 1500 Hrs.

4. This Ministry reserves the right to accept or reject in part or full all or any of the responses without assigning any reason whatsoever.

S.P.Dey
25/9/2013
(S.P.Dey)

Under Secretary (P.E. X)
Room No.431
Udyog Bhawan, New Delhi
Tel: 23061045

To

As per list enclosed.

✓ Copy to : NIC, DHI for publication in the website of DHI.

No.5-I(7)/2013-P.E.X (Pt.)
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EOI for consultancy

**Subject: Feasibility studies for re-organisation of HMT Machine Tools Ltd.
in order to make unit-wise separate companies.**

1. Background

The Cabinet Committee on Economic Affairs has directed the Department of Heavy Industry to explore the feasibility of making Kalamassery unit (Kerala) of HMT Machine Tools Ltd. a separate company. In this connection, it has been decided by this Ministry to have the feasibility studies in respect of all the six units of HMT Machine Tools Ltd.(the company) located at Bangalore, Pinjore, Hyderabad (2 units), Ajmer and Kalamassery so that each of these units may be converted into a separate Company.

2. Objective:

Since all the six units of HMT Machine Tools Ltd. have been functioning independently and are having separate facilities, each of these units may be converted into separate company for better business prospects and development.

3. Scope of Work/Terms of Reference (ToR):

- a) To analyze critically the present organizational structure of HMT Machine Tools Ltd.
- b) To carry out SWOT analysis of the Company.
- c) To analyze & identify the reasons for sub-optimal performance of the company.
- d) To carry out the SWOT analysis unit-wise.
- e) To identify the unit-wise Assets & Liabilities and to report on the viability of operation.
- f) To study the existing manpower unit-wise and suggest rationalization considered necessary for viability.
- g) To identify & recommend the support required for the turnaround of each unit including financial restructuring.
- h) To identify the feasibility of reorganizing the company into unit-wise independent corporate companies and to advise regarding suitable procedure for the re-organization.
- i) To prepare the re-organized structure for the company.
- j) To prepare the business plan for the next 5 years for all the proposed Companies.

4. Output

Report in the format: MS word 2007/2010 with a PPT + 100 colour prints in Perfect binding containing:

- 1) Profile of HMT Machine Tools Ltd. and its six units
- 2) SWOT analysis with global best practice.
- 3) Critical analysis of the organizational structure of HMT Machine Tools Ltd.
- 4) Performance analysis – unit-wise
- 5) Business Plan for next five years – unit-wise
- 6) Recommendations
- 7) Any other connected output

5. Time Frame:

The selected consultant has to submit its report within a period of four weeks from the date of signing the contract.

6. Application procedure

- Expression of Interest (Eoi) may be submitted with covering letter in single bid system. The Envelop to be sealed and marked clearly "Financial proposal by M/s for HMT MTL study of DHI". The bidder should submit the same to the Department by the specified date and time at the specified place.
- Application format and list of documents need be furnished with the Application are annexed.
- An Earnest Money Deposit (EMD) of Rs. 1,00,000/- (Rupees one lakh only) by way of Bank Draft in favour of DDO, Department of Heavy Industry should be submitted with the proposal. EMD should be valid for a period of 45 days beyond the final bid validity period.
- Financial offers should remain valid for a period of not less than six months from the date of submission of financial bid.
- The checklist annexed may be used to ensure completeness of the proposal.
- Proposals should be submitted within the specified deadlines.

7. Consultant Selection Process – Consultancy Evaluation Committee : As per GFR, CVC Guidelines, GO and other rules

- A Consultancy Evaluation Committee (CEC) will analyse and evaluate the Financial Bids in accordance with extant Government Guidelines and Rules.
- Incomplete Bid documents will be rejected.
- Late bids, i.e. bids received after the specified date and time of receipt will not be considered.
- Essentialities will be examined in light of the Bid provisions and support documents provided.
- L 1 will be invited for negotiations, if deemed necessary.
- The successful applicant will be required to offer performance security of 10% of the fees in form of an account payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank guarantee from a commercial

bank in favour of DDO, Department of heavy Industry in an acceptable form safeguarding the purchasers interest in all respects. Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.

- Work order will be issued to L 1.
- The EMD would be returned as per rules after issue of the Work Order.

8. Terms of the proposed contract:

- (A) Deliverables: Final Report containing information and Roadmap as per TOR.
- (B) Payment Terms:
- 40% after satisfactory completion of first draft report.
 - 40% after satisfactory completion of second and final draft report and
 - 20% after one month of the satisfactory completion of second and final draft report.
- (C) Delays and/or poor quality of work will attract penalties including forfeiting of Performance Security, black listing etc. as per rules. If the delay is more than three days minimum 1% of the contract value will be deducted upto the maximum of Rs. 5%.
- (D) The time limit for completion of the work is four weeks from the date of signing the contract.

List of contractors

1. Credit Rating and Information Service of India Limited (CRISIL), CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076.
2. DJ Research and Consultancy Private Limited, N-1/69, IRC Village, Nayapalli, Bhubaneswar751015.
3. A.F. Ferguson & Company, 9 Scindia House, K.G. Marg, Connaught Place, New Delhi.
4. Arthur Anderson India Pvt. Ltd., 1, Ashirwad, Opp. L J Road, Mahim, Mumbai - 400016
5. Pricewaterhouse Coopers Ltd., Building 8, 7th & 8th Floor, Tower B, DLF, Cybercity, Gurgaon- 122 002.
6. Invest India Economic Foundation Pvt. Ltd., D-26, 2nd Floor, Sector 3, Noida Ho, Noida – 201301
7. Tata Economic consultancy Services, Nirmal, 18th Floor, Nariman Point, Mumbai -400021, Maharashtra.
8. Deloitte Touch India Pvt. Ltd., No. 52, 7th Floor, ASV N Ramana Tower, Venkatnarayana Road, T'Nagar, Chennai 600 017, Tamil Nadu.
9. JPS Associates (P) Ltd., R-16, Hauz Khas Enclave, New Delhi - 110 016.
10. Investment Information and Credit Rating agency Ltd. (ICRA), Chairman & Group CEO, A-10 & 11, 3rd Floor, FMC Fortuna 234/3A, A.J.C. Bose Road Kolkata—700020.