



Preliminary Information Memorandum (PIM)

And

Notice Inviting Tender

And

Request For Proposal (RFP)

For

Lease of

Manufacturing, Assembly and Testing facilities

Available at the

Tractor Plant of HMT Limited at Pinjore

On

“As is where is” basis



Transaction Advisor

February 2019

DISCLAIMER NOTICE

Resurgent India Limited (“**Resurgent**” or “**Transaction Advisor**”) has been retained as the advisor by the HMT Limited (hereinafter referred to as “**HMT**” or “**Company**”) for advising on and carrying out the process of “*Lease of the manufacturing, assembly and testing facilities of HMT Tractor Division available at Pinjore on an “As is where is” basis* (hereinafter referred to as the “**Transaction**”), pursuant to an agreement for engagement of advisor dated 26th October, 2018. This Preliminary Information Memorandum (hereinafter referred to as the ‘**PIM**’) has been prepared by Resurgent for the limited purposes of providing certain information on tractor division of HMT for enabling the recipients (hereinafter referred to as the ‘**Interested Bidder(s)**’ or “**IB(s)**”) to be apprised of such certain basic details of tractor division of HMT prior to submission of the **Request for Proposal** (as defined hereinafter “**RFP**”) in respect of the Transaction.

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The Company reserves the right to change the procedures for pursuing the Transaction. The issue of this PIM does not imply that the Company or Resurgent are bound to select an Interested Bidder for the Transaction and the Company and Resurgent reserve the right to reject all or any of the Interested Bidders or their Bids pursuant to the RFP without communicating any reasons whatsoever.

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Table of Contents

| | |
|--|----|
| SECTION 1: Preliminary Information Memorandum (PIM) | 5 |
| 1.1 INTRODUCTION..... | 5 |
| 1.2 TRACTOR DIVISION-HMT LIMITED | 7 |
| NOTICE INVITING TENDER AND REQUEST FOR PROPOSAL | 13 |
| SECTION 2: BIDDING PROCESS..... | 14 |
| 2.1 BRIEF DESCRIPTION OF BIDDING PROCESS..... | 14 |
| 2.2 INSTRUCTION TO BIDDERS | 17 |
| 2.3 ELIGIBILITY AND QUALIFICATION REQUIREMENTS OF BIDDER | 20 |
| 2.4 SIGNING AND SUBMISSION OF BID..... | 22 |
| 2.5 OPENING AND EVALUATION OF BIDS..... | 24 |
| 2.6 PRE-BID CONFERENCE AND SITE VISIT | 26 |
| SECTION 3: FORMATS AND APPENDICES..... | 27 |
| APPENDIX-I: LETTER COMPRISING THE TECHNICAL BID..... | 27 |
| APPENDIX-II: POWER OF ATTORNEY FOR SIGNING OF BID | 31 |
| APPENDIX-III: DETAILS OF THE BIDDER | 33 |
| APPENDIX-IV: DECLARATION..... | 34 |
| APPENDIX-V: BANK GUARANTEE FOR BID SECURITY | 36 |
| APPENDIX-VI: LETTER COMPRISING THE FINANCIAL BID..... | 39 |
| SECTION 4: DRAFT AGREEMENT | 41 |

SECTION 1: Preliminary Information Memorandum (PIM)

1.1 INTRODUCTION

HMT Ltd. (the “HMT” or “Company”) is a Central Public Sector Undertaking under the administrative control of Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India. HMT was established in 1953 with an objective to setup large scale engineering units to manufacture essential goods like Machine Tools, Telecommunication equipment, Aircrafts, Ships etc in Public Sector.

The Company’s registered office is situated at HMT Bhavan, 59, Bellary Road, Bangalore, Karnataka, India. HMT is a Technology-Driven company that has been meeting the demands of various sectors in India and abroad. It has set up various manufacturing units across the country for manufacture of its diverse product range with its Head Quarters at Bengaluru. Over the years the company diversified from a machine tool manufacturing company into Watches, Tractors, Printing Machinery, Metal Forming Presses, Die Casting & Plastic Processing Machinery, CNC Systems & Bearings. HMT was able to provide diversified products and services by successfully absorbing new and innovative technology in all product groups through collaborations with world renowned manufacturers & further strengthened by continuous in-house R&D.

The Company has played a vital role in the industrial and economic growth of the country by supplying required machines to various strategic and infrastructure sectors, in pursuit of making India self-reliant. Currently, HMT is one of the leading suppliers of Machine Tools and auxiliary machines and equipment meeting the India’s strategic needs in the areas of Defense, Aerospace, Power, Nuclear, Railways and other strategic sectors and also in the design, development, manufacture and supply of import-substitute products. Marketing and servicing network of the company across India feel the pulse of the market and continue to deliver products and services to customers delight.

The company has been making commendable contributions towards manufacture and supply of import-substitute products and continues to contribute in the nation-building endeavor. At present, HMT Group comprises of HMT Limited, the Holding Company with five subsidiaries viz. HMT Machine Tools Limited, HMT Watches Limited, HMT Chinar Watches Limited, HMT Bearings Limited and HMT (International) Limited under its ambit, while the businesses of Tractors and Food Processing Machinery is managed directly by the Holding Company. HMT’s exports are channeled through the export arm, HMT (International) Limited which has an agency network across the globe and also executes turn-key projects from concept-to-commissioning in India and abroad. More than 27 projects have been implemented in 12 countries.

To meet the emerging needs of the Capital Goods Sector, HMT has decided to primarily focus on its core business of manufacturing machine tools and shelve its present operations of manufacture of Watches, Bearings and Tractors. In this direction, HMT has already received approval of the Government of India for closure of operations of its Tractor Division as well as the closure of the subsidiary companies HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited. Currently the manufacturing Units of HMT (including those of HMT Machine Tools Limited) are in Karnataka (Bengaluru), Telengana (Hyderabad), Kerala (Kalamassery), Rajasthan (Ajmer), Haryana (Pinjore near Chandigarh) and Maharashtra (Aurangabad).

In respect of Tractor Division which is under closure, most of the employees were relieved under VRS while services of rest of the employees were terminated under Industrial Dispute Act 1947. All the employee related dues have been paid to the employees.

Further, in line with the directions of and with the approval of the Government of India, *the Company now proposes to lease out the manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on medium/long term tenure on an “As is where is” basis to interested parties engaged preferably in the Capital Goods or Auto Sector (“the Transaction”).*

The Tractor manufacturing plant at Pinjore is spread over an area of around 28 acres comprising covered area of **12.23 acres** with 11 number of hangars and is **highly suitable for setup of any sort of Engineering / Capital Goods / Auto sector manufacturing** activity with minimal realignments.

The R&D area is spread over an area of around 20 acres comprising covered area of **0.7 acres** with 1 hangar and is suitable for testing of diesel engines. The open area **may be utilized for any other purpose** as per applicable land usage.

Some of the plant facilities at Pinjore are shared between the Tractor & Machine Tool Units. However, the factory area will be segregated with a clear demarcation for the area retained for Machine Tools and the area proposed to be leased.

Through this PIM, the interested Bidders (“IBs”) are provided with limited and selected information pertaining to the Tractor division of the Company for submitting their RFP for the proposed leasing of manufacturing facilities, assembly and testing facilities at Pinjore, of the Tractor division of the Company.

The bid is being called for following categories of the Transaction (“Transaction Category”):

| S. No. | Transaction Category | Area (in Sq. Mts.) | | | Period of lease |
|--------|---|--------------------|--------|-------------------------|-----------------|
| | | Covered | Open | Total | |
| 1. | Lease of Factory area with Plant, machinery and equipment in factory area | 49,520 | 64,175 | 113695 (28.09 Acres) | 30 years |
| 2. | Lease of R&D area with machinery and equipment in R&D area | 2,542 | 77,148 | 79,690 (19.69 Acres) | 30 years |

The Bidders can Bid for any or all the Transaction Categories and the Financial Bid shall be evaluated as per the evaluation process described in clause 2.5 of the RFP.

1.2 TRACTOR DIVISION-HMT LIMITED

In the year 1962, the State Government of Punjab donated 846.43 acres of land (the area comes under Haryana State after bifurcation) as a gift to HMT Limited in order to establish a Machine Tools Manufacturing Unit at Pinjore. HMT established its third unit for manufacture of Machine Tools at Pinjore, Haryana during the year 1963 and the tractor manufacturing unit was subsequently setup there during 1971.

HMT's Tractor business commenced its operations in 1971 in technical collaboration with M/s ZETOR, Czechoslovakia Republic. Initially, HMT started the operation with the manufacture of 25 HP Tractor at the manufacturing plant established in Pinjore, Haryana State. Over the years, it has developed Tractors ranging from 25 HP to 75 HP in two cylinder, three cylinder and four cylinder engine variants successfully meeting the emission TREMIIIA norms. The company achieved market leadership in tractors by enlarging its range to cover most of the applications for the farming community. HMT has produced and marketed over 4,00,000 Tractors since inception in India and abroad.

| S. No | Description | Particulars |
|-------|-------------------------------------|--|
| 1. | Location | Pinjore (Haryana) Near Chandigarh |
| 2. | Commencement Year | 1971 |
| 3. | Capacity (per annum) | Current status - 8500 tractors per annum on single shift basis |
| 4. | Facilities | Integrated facilities for Manufacture, Assembly, and Testing of Tractors and Engines. R&D etc. |
| 5. | Factory Area (demarcated for offer) | 47.77 acres approximately |
| 6. | Covered Area (demarcated for offer) | 12.86 acres approx. within the 47.77 acres as above. |
| 7. | Open Area (demarcated for offer) | 34.91 acres approx. within the 47.77 acres as above. |

Of the 846.43 acres of land, HMT Limited has agreed to hand over the physical possession of 446 acres of unused land to the State of Haryana as per the settlement agreement dated 12.06.2018 and the State of Haryana has agreed to correct the revenue records to reflect the remaining 400.43 acres of land in the name of HMT Limited with absolute ownership rights. After the correction of title in revenue records, the 400.43 acres of land shall stand mutated in the name of HMT Limited with absolute ownership rights. The proposed Transaction land of 47.77 acres forms part of 400.43 acres of land that shall stand mutated in the name of HMT Limited with absolute ownership rights.

1.2.1 Summary of facilities available for lease

1. Machines for manufacturing of critical components for tractors;
2. SPM lines for gearbox, main transmission housing, engine block and cylinder head consisting mainly of HMT Machines;
3. Tooling up GPMs, SPMs and CNC machines for connecting rod, camshaft, bearing caps, gears, shafts, crown wheel and pinion;
4. Heat treatment facilities with sealed quench/ tempering/ induction hardening furnaces, quenching press etc.
5. Engine assembly & tractor assembly lines with chassis painting & testing facilities.
6. Material testing laboratory with spectrometer, image analyzer etc.
7. Modern sheet metal pre-treatment & painting plants with paint kitchen/ rim painting line/chassis washing/ drying and painting booths with baking ovens.
8. R&D center spread over 20 acres and equipped with:
 - (a) Engine testing lab with dynamometers and AVL instrumentation.
 - (b) Emission testing lab.
 - (c) Prototype assembly and testing facilities.

(d) Circular test track.

1.2.2 Manufacturing facilities

- CNC Flexible Lines for Cylinder Block and Cylinder Head.
- SPM lines for Gearbox, Main Transmission Housing, Cylinder Block and Cylinder Head.



- Machines from Gleason, Oerlikon, Newall, Wickman, Voumard, Fortuna and Churchill for critical components
- Toolled up GPMs, SPMs and CNC Machines for Connecting Rod, Camshaft, Bearing Caps, Gears, Shafts, Crown wheel and Pinion.



- Modern painting plants for chassis and sheet metal.
- Heat Treatment Facilities
- Tractor and Engine assembly lines well equipped with testing aids.



R & D Wing

- Spread over 20 Acres(approx).
- Equipped with CAD
- Engine Testing Lab with Dynamometers and
- AVL Instrumentation.
- AVL Engine Emission Testing Lab.
- Prototype Assembly & Testing Facilities
- Circular Test Track.



The manufacturing facility images above are of the time when the tractor division was in running state. Current state of the facility may be different. Recipients of this PIM and the potential Bidders are advised to visit the site and verify the current state.

1.2.3 Details of Machinery

| S. No | Shop | Machines | | | | Mono Rail/EOT/JIB Crane* |
|--------------|--------------------------------|------------|-----------|-----------|------------|--------------------------|
| | | GPM | SPM | CNC | Total | |
| 1. | Tools | 26 | - | - | 26 | |
| 2. | New Assembly Line (NAL) | 4 | - | - | 4 | |
| 3. | Tool Room | 18 | - | 1 | 19 | |
| 4. | Heat Treatment | 14 | - | - | 14 | 21 |
| 5. | Engine Shop (ES) | 81 | 22 | 1 | 104 | 47 |
| 6. | New Engine Shop (NES) | 9 | 7 | 10 | 26 | |
| 7. | Engine Assembly & Testing shop | 21 | 2 | - | 23 | 08 |
| 8. | Auto Shop | 75 | - | 3 | 78 | |
| 9. | Gear Shop | 103 | - | 11 | 114 | |
| 10. | Material Cutting Shop | 11 | - | 1 | 12 | |
| 11. | Heavy Machine Shop | 65 | 25 | 9 | 99 | 41 |
| 12. | Tractor Assembly | 13 | - | - | 13 | 21 |
| 13. | Tractor Spare Parts | - | - | 1 | 1 | |
| 14. | New Painting Shop | 2 | - | - | 2 | 08 |
| Total | | 442 | 56 | 37 | 535 | |

*In addition, R&D has 8 Jib Crane/Mono rail.

1.2.4 Production area

I. Total plot area proposed to be leased.

| Description | Length (M.) | Breadth (M.) | Area (Sqm.) |
|---------------------------------|--------------|--------------|-----------------------|
| Main Factory | 380 | 206.00 | 78,280 |
| | 202.50 | 100.00 | 20,250 |
| Gear Shop (LMS) | 150 | 45.00 | 6,750 |
| | 105 | 15.00 | 1,575 |
| Heavy Machine Shop | 115 | 56 | 6440 |
| Spare Parts Building | 40.00 | 10.00 | 400.00 |
| Total Factory Area | 992.5 | 432 | 113,695 |
| R&D Portion | 325 | 245.2 | 79,690 |
| Total available Area (A) | | | 193,385 |
| | | | Or 47.77 acres |

Note: Final measurements shall be subject to joint survey

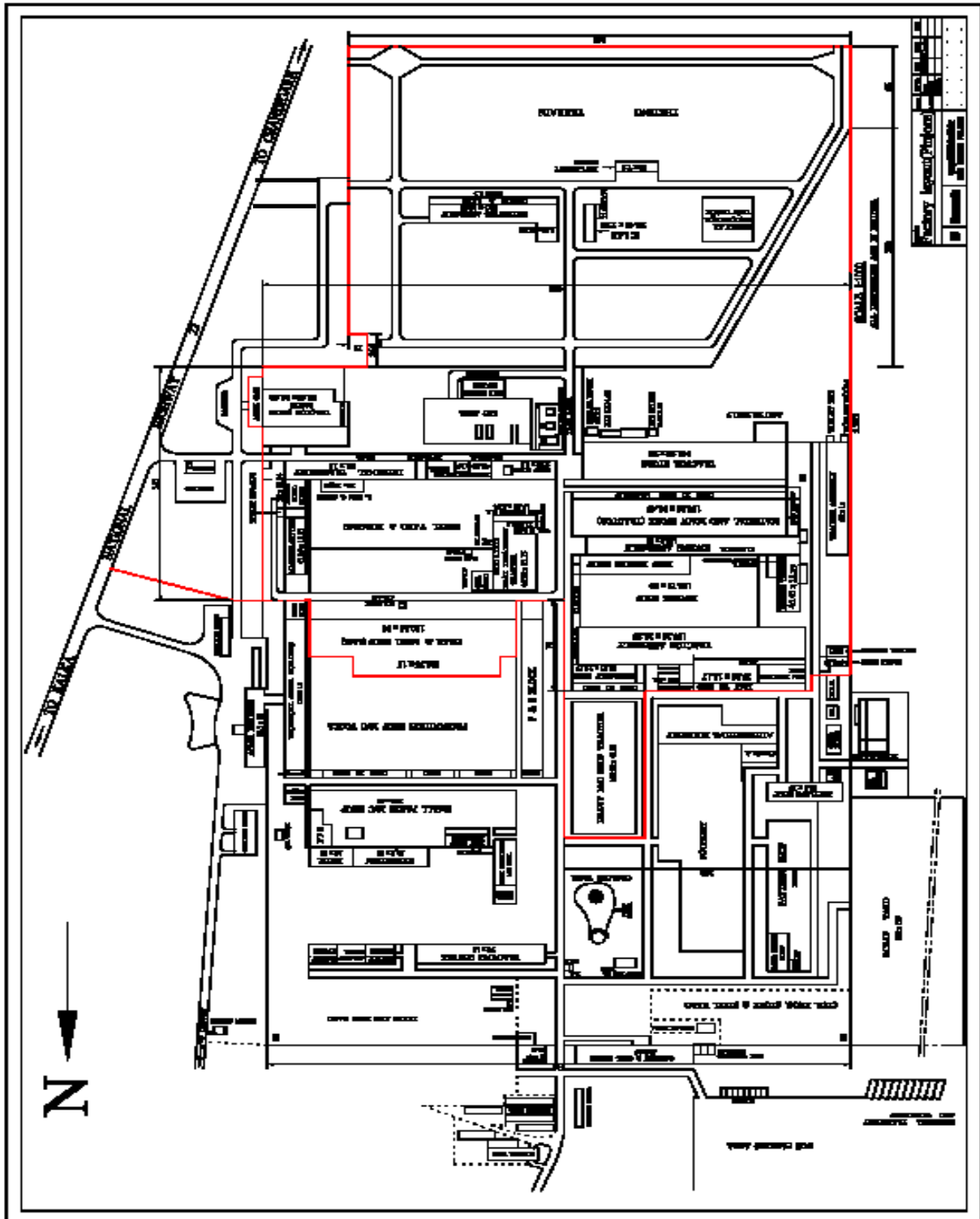
II. Detail of covered area within the total plot area proposed to be leased

| S.No. | Name of Building | Length | Breadth | Area (Sqm.) | Total Area | Type of Structure |
|----------------------|------------------------------|--------|---------|-------------|------------|-------------------|
| 1. | Gear & Misc. shop (LMS) | 150.35 | 30.00 | 4510.50 | 6115.10 | Shed |
| | | 105.35 | 45.00 | 1580.25 | | Shed |
| | Store Keeper Room near LMS | 5.46 | 4.46 | 24.35 | | RCC |
| 2. | Heat Treatment | 60.25 | 15.15 | 912.79 | 2134.03 | Shed |
| | | 45.25 | 15.15 | 685.54 | | Shed |
| | Generator Shed | 15.00 | 15.30 | 229.50 | | Shed |
| | Oil Storage | 6.00 | 4.00 | 24.00 | | Shed |
| | Sub Station | 15.13 | 5.74 | 86.85 | | Shed |
| | Salt Store | 7.00 | 5.23 | 36.61 | | RCC |
| | Weigh Bridge | 4.46 | 2.96 | 13.20 | | RCC |
| | Toilet & Store (H.T.) | 12.50 | 4.70 | 58.75 | | RCC |
| | Sub Station | 15.12 | 5.74 | 86.79 | | RCC |
| 3. | Material Cutting | 45.25 | 15.35 | 694.59 | 713.45 | Shed |
| | Toilet near Material Cutting | 6.91 | 2.73 | 18.86 | | RCC |
| 4. | Bright Steel Store | 20.00 | 12.34 | 246.80 | 246.80 | Shed |
| 5. | Lubrication cum Oil store | 30.00 | 10.93 | 327.90 | 327.90 | Shed |
| 6. | Pump Store | 5.23 | 9.00 | 47.07 | 47.07 | RCC |
| 7. | Machine Casting Store | 48.20 | 15.00 | 723.00 | 723.00 | Shed |
| 8. | Internal Transport | 92.00 | 15.00 | 1380.00 | 1380.00 | Shed |
| 9. | Tractor Spare Parts (Admin) | 40.00 | 10.00 | 400.00 | 1880.21 | RCC |
| | Tractor Spare Parts (Store) | 40.60 | 30.60 | 1242.36 | | RCC |
| | | 10.00 | 20.60 | 206.00 | | RCC |
| | | 4.90 | 6.50 | 31.85 | | RCC |
| 10. | Fire Proof Store | 30.35 | 15.25 | 462.84 | 462.84 | Shed |
| 11. | Prototype Assy. (R&D) | 90.03 | 15.23 | 1371.16 | 2541.78 | Shed |
| | | 15.03 | 15.23 | 228.91 | | Shed |
| | Implement Store | 30.00 | 7.50 | 225.00 | | Shed |
| | I.C. Lab (R&D) | 30.40 | 7.73 | 234.99 | | RCC |
| | | 11.65 | 2.71 | 31.57 | | RCC |
| Offices & Lavatories | 90.03 | 5.00 | 450.15 | RCC | | |
| 12. | Heavy M/C Shop | 105.20 | 45.30 | 4765.56 | 4765.56 | Shed |
| 13. | Assey. Shop | 52.85 | 15.17 | 801.73 | 801.73 | Shed |
| 14. | Compressor House | 15.11 | 7.61 | 114.99 | 114.99 | Shed |
| 15. | Lean to Shed | 128.20 | 5.25 | 673.05 | 673.06 | Shed |
| 16. | Tractor Assay | 157.25 | 28.25 | 4442.31 | 5585.37 | Shed |
| | | 75.35 | 15.17 | 1143.06 | | Shed |
| 17. | Engine Shop | 24.75 | 60.00 | 7485.00 | 7485.00 | Shed |
| 18. | Material Testing | 35.40 | 5.30 | 187.62 | 187.62 | RCC |
| 19. | Mat. Engg – GF | 52.82 | 7.80 | 412.00 | 824.00 | |

| S.No. | Name of Building | Length | Breadth | Area (Sqm.) | Total Area | Type of Structure |
|--|-------------------------------|--------|---------|-----------------|-----------------|-----------------------|
| | Mat. Engg – FF | 52.82 | 7.80 | 412.00 | | RCC |
| 20. | Engine Testing | 45.45 | 15.25 | 693.11 | 693.11 | Shed |
| 21. | Toilet & Battery Charging | 12.38 | 5.31 | 65.74 | 65.74 | RCC |
| 22. | Cable Shed | 15.23 | 7.85 | 119.56 | 119.56 | Shed |
| 23. | Roller Testing | 15.00 | 7.00 | 105.00 | 105.00 | Shed |
| 24. | Engine Assay. | 142.50 | 15.00 | 2137.50 | 2137.59 | Shed |
| 25. | Materials & Main Store | 154.35 | 30.45 | 4699.96 | 4699.96 | Shed |
| 26. | Lean to Shed (South Side) | 154.35 | 5.57 | 859.73 | 859.73 | Shed |
| 27. | Lean to Shed (West Side) | 39.90 | 5.23 | 203.68 | 208.68 | Shed |
| 28. | Tractor Assy IIIrd Line | 90.00 | 15.00 | 1350.00 | 1375.00 | Shed |
| | Toilet (Tr. Assy. IIIrd Line) | 5.00 | 5.00 | 25.00 | | RCC |
| 29. | Sheet Metal Painting Plant | 142.50 | 30.00 | 4275.00 | 4275.00 | Shed |
| 30. | Boiler Room | 5.00 | 5.50 | 27.50 | 27.50 | Shed |
| 31. | ASU | 22.50 | 15.00 | 337.50 | 337.50 | Shed |
| 32. | ETP | 14.48 | 5.00 | 72.40 | 147.98 | RCC |
| | ETP-Store | 5.46 | 5.60 | 30.58 | | Shed |
| | Boiler Room –ETP | 7.50 | 6.00 | 45.00 | | Shed |
| Total covered area within the total plot area proposed to be leased | | | | 52061.76 | 52061.76 | |
| | | | | | | Or 12.86 Acres |

Note: Final measurements shall be subject to joint survey

III. Layout Drawing



NOTICE INVITING TENDER AND REQUEST FOR PROPOSAL

Notice Inviting Tender(NIT) and Request for Proposal (RFP) for lease of *manufacturing, assembling and testing facilities available in the Tractor Division at Pinjore on medium/long term tenure on an “As is where is” basis.*

HMT Limited (the “HMT” or “Company”) is a public sector undertaking, under the administrative control of Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India. HMT was established by the Government in 1953 with an objective to setup large scale engineering units to manufacture essential goods like Machine Tools, Telecommunication equipment, Aircrafts, Ships etc in Public Sector. Over the years the company has diversified from a Machine Tool manufacturing company into Watches, Tractors, Printing Machinery, Metal Forming Presses, Die Casting & Plastic Processing Machinery, CNC Systems & Bearings. To meet the emerging needs of the Capital goods Sector, HMT Limited has decided to provide prime focus on Machine Tools and has shelved the operations of Tractors, Watches and Bearings.

The Government of India has approved the closure of operations of Tractor division of the Company and directed the *Company to lease out the manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on medium/long term tenure on an “As is where is” basis to interested private parties engaged preferably in Capital Goods or Auto Sector. Hence HMT now proposes to lease out the same (the “Transaction”).*

The Bid is being called for following categories of the Transaction (“**Transaction Category**”):

| S. No. | Transaction Category | Area (in Sq. Mts.) |
|--------|---|--------------------|
| 1. | Factory area (Covered and open) with Plant, machinery and equipment in factory area | 113695 |
| 2. | R&D area (Covered and open) with all machinery and equipment in R&D area | 79,690 |

Tender is invited in form of two bid format comprising ‘**Technical Bid**’ and ‘**Financial Bid**’ from interested Bidders having minimum net worth of **Rs. 20 crores** as on **31.03.2018** and having other qualifications as specified in RFP. The RFP document along with Preliminary Information Memorandum (“**PIM**”) can be viewed / downloaded from www.hmtindia.com / www.dhi.nic.in / <https://eprocure.gov.in/epublish>.

The Bidders can bid for any and all Transaction Categories and the Financial Bid shall be evaluated as per the evaluation process described in clause 2.5 of the RFP.

Bids shall be submitted physically by the Interested Bidder on or before **26.03.2019** (at 1400 hours IST) (“**RFP Due Date**”) at the address mentioned below. Bids received through post, fax, email will not be accepted.

Joint General Manager (CP&AM)
HMT LIMITED,
HMT Bhavan, 59, Bellary Road,
Bangalore – 560 032

Corrigenda, if any shall be posted only on www.hmtindia.com till RFP due date including any extended date and will not be notified through Press advertisement / communication. Bidders are requested to check the website regularly for any updates.

Please note that the Company reserves the right to accept or reject all or any of the Bids without communicating any reason whatsoever.

SECTION 2: BIDDING PROCESS

2.1 BRIEF DESCRIPTION OF BIDDING PROCESS

- 2.1.1** HMT has adopted a single stage two envelop process (referred to as the "Bidding Process") for selection of the Bidder for the Transaction. Under this process, the Bid shall be invited under two envelopes containing the Technical Bid and the Financial Bid. Prior to submission of the bid, the Bidder shall pay to the HMT a non refundable sum of **Rs. 10,000/- (Rupees Ten thousand only)** as the cost of the RFP process. Cost of RFP shall be paid through NEFT/ other electronic means to HMT Limited, Bangalore (Current A/c No.: 90020200010001, IFSC Code: UCBA0002016, Bank: UCO Bank, Branch: Ganganagar, Bangalore). Copy of the proof of payment should be submitted along with the Technical Bid. Only Eligibility and qualification of the Bidder will be first examined based on the details submitted under first envelop (Technical Bid) with respect to eligibility and qualifications criteria prescribed in this RFP. The Financial Bid under the second envelop shall be opened of only those bidders whose Technical Bids are responsive to and match the eligibility and qualifications requirements as per this RFP. Technical Bids not containing the proof of payment of cost of RFP process shall be rejected.
- 2.1.2** Interested Bidders (the "**Bidders**") are being called upon to submit their Bid in accordance with the terms specified in this RFP. The bid shall be valid for a period of 120 days from the date specified in Clause 2.1.17 for submission of Bids (the "**Bid Due Date**").
- 2.1.3** The draft lease agreement (hereinafter referred to as "**Agreement**") for the Transaction to be executed with the Selected Bidder is enclosed under Section-4 of the document for the bidders. The Preliminary Information Memorandum (PIM) prepared by HMT is also enclosed for guidance purposes only. Subject to the provisions of Clause 2.2.2, the aforesaid documents and any addenda issued subsequent to this RFP Document, will be deemed to form part of the RFP documents.
- 2.1.4** A Bidder is required to deposit, along with its Bid, a Bid Security of **Rs. 10,00,000 (Rupees ten lakh only)** (the "Bid Security"), refundable not later than 120 (one hundred twenty) days from the Bid Due Date, except in the case of the Selected Bidder whose Bid Security shall be retained till it has paid the price as per the provisions of the Agreement. The Bidders shall pay the Bid Security in the form of a bank guarantee acceptable to HMT, and the validity period of the bank guarantee shall not be less than 120 (one hundred and twenty) days from the Bid Due Date with a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between HMT and the Bidder from time to time The format for Bank Guarantee is in **Appendix-V**. The Bidder shall also have the option to pay the Bid Security through NEFT/ other electronic means to HMT Limited, Bangalore (Current A/c No.: 90020200010001, IFSC Code: UCBA0002016, Bank: UCO Bank, Branch: Ganganagar, Bangalore). The Bid shall be summarily rejected if it is not accompanied by the Bid Security.
- 2.1.5** During the bid stage, Bidders are advised to examine the Transaction in greater detail, and to carry out, at their cost, due diligence including such studies as may be required for submitting their respective Bids for successful closure of the Transaction and entering into definitive agreement(s).

2.1.6 The bid is being called for following categories of the Transaction (“**Transaction Category**”):

| S. No. | Transaction Category | Area (in Sq. Mts.) |
|--------|---|--------------------|
| 1. | Factory area (Covered and open) with Plant, machinery and equipment in factory area | 113695 |
| 2. | R&D area (Covered and open) with all machinery and equipment in R&D area | 79,690 |

The Bidders can bid for any and all Transaction Categories and the Financial Bid shall be evaluated as per the evaluation process described in clause 2.5 of the RFP.

2.1.7 Financial Bids would be evaluated on the basis of the Bid price quoted by the Bidder for all or any of the Transaction Categories as specified in clause 2.1.6 provided such Bid price is not less than the reserve price set by HMT. The bid price shall be the monthly lease rent (“**Lease Rent**”) excluding taxes, if any, required to be paid by a lessee for lease of any or all Transaction Category as provided in clause 2.1.6 on an “As is where is” basis for a period of 30 years.

2.1.8 Generally, the Highest Bidder shall be the Selected Bidder. The remaining Bidders shall be kept in reserve and may, in accordance with the process specified in Clause 2.5 of this RFP, be invited to match the bid submitted by the Highest Bidder in case such Highest Bidder withdraws or is not selected for any reason. In the event that none of the other Bidders match the bid of the Highest Bidder, HMT may, in its discretion, either invite fresh Bids from the remaining Bidders or annul the Bidding Process.

2.1.9 HMT shall issue, in duplicate, Letter of Acceptance (LOA) to the Selected Bidder and the Selected Bidder shall return a copy of LOA duly signed and stamped by the Authorised Signatory as acceptance of same within 07 (seven) days of date of issue thereof. The Selected Bidder shall pay to HMT, the security deposit equivalent to 3 months’ Lease Rent within 07 (seven) days of receipt of acceptance of LOA by HMT. In the event the Lessee fails to pay the said Security Deposit, the allotment shall stand cancelled. The Security Deposit does not carry any interest and will be refunded to the Lessee on vacating the premises as per the License Agreement after adjusting the dues and penalties, if any.

2.1.10 The Selected Bidder(s) shall be entitled to a joint survey of area proposed to be leased after its receipt of acceptance of LOA. In case there is a variation between the area proposed to be leased and the actual measurement as a result of joint survey and such variation is more than 2% then the Assessed Bid Price shall be adjusted proportionately.

2.1.11 The Lease Rent shall be paid on 1st day of every calendar month. The first Lease Rental shall commence from 15th day of issue of offer of possession by HMT to the Successful Bidder or actual possession date, whichever is earlier. In case, the 1st Lease Rent is to be paid for the part of month, it shall be paid on pro-rata basis considering 30 days in that month.

2.1.12 Lease Rent shall be subject to annual increase of 5% commencing from the due date of 1st payment of lease rent.

2.1.13 Subject to Clause 2.4.9, the Agreement shall be entered into with the Selected Bidder(s) (defined later) within 15 days of issue of offer of possession by HMT.

2.1.14 Other details of the process to be followed under this bidding process and the terms thereof are spelt out in this RFP. All the detailed Terms and Conditions in regard to the Transaction are specified in the Draft Lease Agreement appended at Section § hereto.

2.1.15 If any of the items of Machinery or equipment is not required by the selected bidder the same will be removed / disposed off by HMT. However, there would be no change in the lease rent payable by the selected bidder.

2.1.16 Any queries or request for additional information concerning this RFP shall be submitted by e-mail to the officer designated in Clause 2.4.4 with subject line as : "Queries/Request for Additional Information for RFP for Lease out the manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on an **"As is where is"** basis"

2.1.17 Schedule of Bidding Process:

| S. No. | Description | Detailed Information |
|--------|--|---|
| 1 | Name of Project | Lease of Manufacturing, Assembly and Testing Facilities of Tractor Division of HMT Limited at Pinjore on "As is Where is" basis |
| 2 | Reference No. | HMTL/RFP/2018-19/TA-02 dated 6/2/2019 |
| 3 | Date of issue of RFP Document | 06.02.2019 |
| 4 | Last Date for receipt of clarifications/ suggestions through email at gmcp@hmtlimited.com | 20.02.2019 |
| 5 | Pre-bid conference and Site Visit | 20.02.2019 Place: Admin Building, HMT Tractor Division, HMT Colony, Pinjore, Haryana 134101 Time: 11.30 am |
| 6 | HMT's response to queries by email | 27.02.2019 |
| 7 | Date, Place and time for bid submission (Bid Due Date) | 26.03.2019 Place: HMT Limited, HMT Bhavan, No.59, Bellary Road, Bangalore – 560032 Time: 1400 hours IST |
| 8 | Date and time for opening of Technical Bid | 26.03.2019 Place: HMT Limited, HMT Bhavan, No.59, Bellary Road, Bangalore – 560032 Time: 1500 hours IST |
| 9 | Date and time for opening of Financial Bid | To be notified to the Technically Qualified Bidders |
| 10 | Issue of Letter of Acceptance (LOA) by HMT | To be notified. |
| 11 | Acknowledgement of LOA by Selected Bidder. | Within 07 (seven) days of issue of LOA |
| 12 | Security Deposit of 3 months advance | Within 07 (seven) days of acknowledgement of LOA |
| 13 | Joint Survey | To be notified |
| 14 | Issue of offer of Possession by HMT | To be notified |
| 15 | Signing of Agreement | To be notified |

2.2 INSTRUCTION TO BIDDERS

- 2.2.1** No Bidder shall submit more than one Bid for the Project.
- 2.2.2** The Preliminary Information Memorandum (PIM) for the Transaction is being provided only as a preliminary reference document by way of assistance to the Bidders who are expected to carry out their own surveys, investigations and other detailed examination of the Transaction before submitting their Bids. Nothing contained in the PIM shall be binding on HMT nor confer any right on the Bidders, and HMT shall have no liability whatsoever in relation to or arising out of any or all contents of Preliminary Information Memorandum.
- 2.2.3** Notwithstanding anything to the contrary contained in this RFP, the detailed terms specified in the draft Agreement shall have overriding effect; provided, however, that any conditions or obligations imposed on the Bidder hereunder shall continue to have effect in addition to its obligations under the Agreement.
- 2.2.4** The Bid shall be furnished in the format exactly as per Appendix-I i.e. Letter comprising Technical Bid and Appendix VI i.e. Letter comprising Financial Bid. Bid amount shall be indicated clearly in both figures and words, in Indian Rupees, in prescribed format of Financial Bid and shall be signed by the Bidder's authorised signatory. In the event of any difference between figures and words, the amount indicated in words shall be taken into account.
- 2.2.5** The Bidder should submit a Power of Attorney as per the format at Appendix-II, authorising the signatory of the Bid to commit the Bidder. Each page of the bid document submitted by the Bidder shall be signed by the authorised signatory and stamped.
- 2.2.6** Any condition or qualification or any other stipulation contained in the bid shall render the bid liable to rejection as a non-responsive Bid.
- 2.2.7** The Bid and all communications in relation to or concerning the Bidding documents and the Bid shall be in English language.
- 2.2.8** This RFP is not transferable.
- 2.2.9** In computing the Net Worth of the Bidder under Clauses 2.3.1(d), the Net Worth of their respective Associates would also be eligible as hereunder.

For purposes of this RFP, Associate means, in relation to the Bidder, a person who controls, is controlled by, or is under the common control with such Bidder (the "**Associate**"). As used in this definition, the expression "control" means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person by operation of law.

It is clarified that a certificate from a qualified external auditor who audits the book of accounts of the Bidder shall be provided to demonstrate that a person is an Associate of the Bidder.

2.2.10 The following conditions shall be adhered to while submitting a Bid:

- (a) Bidders should attach clearly marked and referenced continuation sheets in the event that the space provided in the prescribed forms in the Annexes is insufficient. Alternatively, Bidders may format the prescribed forms making due provision for incorporation of the requested information;
- (b) information supplied by a Bidder must apply to the Bidder or Associate named in the bid and not, unless specifically requested, to other associated companies or firms; and
- (c) in responding to the RFP submissions, Bidders should demonstrate their capabilities in accordance with Clause 2.3.

2.2.11 Notwithstanding anything to the contrary contained herein, in the event that the Bid Due Date falls within three months of the closing of the latest financial year of a Bidder, it shall ignore such financial year for the purposes of its bid and furnish all its information and certification with reference to the 3 (three) years or 1 (one) year, as the case may be, preceding its latest financial year. For the avoidance of doubt, financial year shall, for the purposes of bid hereunder, mean the accounting year followed by the Bidder in the course of its normal business.

2.2.12 All documents and other information supplied by HMT or submitted by a Bidder to HMT shall remain or become the property of HMT. Bidders are required to treat all information provided by HMT as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. HMT will not return any Bid or any information provided along therewith.

2.2.13 The Bidders shall be responsible for all of the costs associated with the preparation of their Bids and their participation in the Bidding Process. HMT will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

2.2.14 It shall be deemed that by submitting a Bid, the Bidder has:

- (a) made a complete and careful examination of the bidding documents;
- (b) received all relevant information requested from HMT;
- (c) accepted the risk of inadequacy, error or mistake in the information provided in the bidding documents or furnished by or on behalf of HMT relating to any of the matters referred to in this clause;
- (d) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the bidding documents or ignorance of any of the matters referred to in this Clause shall not be a basis for any claim for compensation, damages, loss of profits etc. from HMT, or a ground for termination of the Lease Agreement;
- (e) acknowledged that it does not have a Conflict of Interest; and
- (f) agreed to be bound by the undertakings provided by it under and in terms hereof;

2.2.15 HMT 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 RFP, including any error or mistake therein or in any information or data given by HMT.

2.2.16 Verification and Disqualification

2.2.16.1 HMT reserves the right to verify all statements, information and documents submitted by the Bidder in response to the RFP and the Bidder shall, when so required by HMT, make available all such information, evidence and documents as may be necessary for such verification. Any such verification, or lack of such verification, by HMT shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the HMT thereunder.

2.2.16.2 HMT reserves the right to reject any bid and appropriate the Bid Security if:

- (a) at any time, a material misrepresentation is made or uncovered, or
- (b) Bidder does not provide, within the time specified by HMT, the supplemental information sought by HMT for evaluation of the Bid.

Such misrepresentation/ improper response shall lead to the disqualification of the Bidder. If such disqualification/ rejection occurs after the Bids have been opened and the highest Bidder gets disqualified/rejected, then HMT reserves the right to annul the Bidding Process and invites fresh Bids.

2.2.17 In case it is found during the evaluation or at any time before signing of the Agreement or after its execution and during the period of subsistence thereof, that one or more of the eligibility and /or qualification requirements have not been met by the Bidder, or the Bidder has made material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet appointed as the Lessee by entering into of the Agreement, and if the Selected Bidder has already entered into the Agreement, the same shall, notwithstanding anything to the contrary contained therein or in this RFP, be liable to be terminated, by a communication in writing by HMT to the Selected Bidder or the Lessee, as the case may be, without HMT being liable in any manner whatsoever to the Selected Bidder or the Lessee. Moreover, HMT shall be entitled to forfeit and appropriate the Bid Security and Security Deposit if any, as mutually agreed genuine pre-estimated compensation and damages payable to HMT for, inter-alia, time, cost and effort of HMT without prejudice to any other right or remedy that may be available to HMT under law.

2.3 ELIGIBILITY AND QUALIFICATION REQUIREMENTS OF BIDDER

2.3.1 For determining the eligibility of Bidder the following shall apply:

- (a) A Bidder shall not have a conflict of interest (the “**Conflict of Interest**”) that affects the Bidding Process. Any Bidder found to have a Conflict of Interest shall be disqualified. In the event of disqualification, HMT shall be entitled to forfeit and appropriate entire value of the Bid Security (the “**Damages**”), without prejudice to any other right or remedy that may be available to HMT under the bidding documents and/or the Agreement or otherwise. Without limiting the generality of the above, a Bidder shall be deemed to have a Conflict of Interest affecting the Bidding Process, if:
- (i) The Bidder or its Associate (or any constituent thereof) and any other Bidder or any Associate thereof (or any constituent thereof) have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the director in direct shareholding of a Bidder or its Associate thereof (or any shareholder thereof having a shareholding of not more than 25%(twenty five percent) of the paid up and subscribed capital; of such Bidder or Associate, as the case may be) in the other Bidder or its Associate, is not more than 25% (Twenty five percent) of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in section 4A of the Companies Act, 1956/2013. For the purposes of this Clause, indirect shareholding held through one or more intermediate persons shall be computed as follows: (aa) where any intermediary is controlled by a person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the “**Subject Person**”) shall be taken into account for computing the shareholding of such controlling person in the Subject Person; and (bb) subject always to sub-clause (aa) above, where a person does not exercise control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this sub-clause (bb) if the shareholding of such person in the intermediary is less than 26% of the subscribed and paid up equity shareholding of such intermediary; or
 - (ii) a constituent of such Bidder is also a constituent of another Bidder; or
 - (iii) such Bidder or its Associate thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other Bidder or its Associate, or has provided any such subsidy, grant, concessional loan or subordinated debt to any other Bidder or its any Associate thereof; or
 - (iv) such Bidder has the same legal representative for purposes of this bid as any other Bidder; or
 - (v) such Bidder, or any Associate thereof, has a relationship with another Bidder, or any Associate thereof, directly or through common third party/ parties, that puts either or both of them in a position to have access to each other’s’ information about, or to influence the bid of either or each other; or

- (vi) such Bidder or any Associate thereof has participated as a consultant to HMT in the preparation of any documents, design or technical specifications of the Project.
- (vii) Such Bidder or any Associate thereof has appointed any official of HMT, advisors of HMT for the Transaction, within a period of 1 year from the signing of Agreement with that Bidder.

Explanation:

For purposes of this RFP, Associate shall have the same meaning as assigned to it in clause 2.2.9..

- (b) A Bidder must be a private limited company or public limited company registered under Companies Act 1956 or 2013 or a Limited Liability Partnership (LLP) incorporated under the Limited Liability Act 2008. Public Sector Undertakings (PSEs) & Government owned entities (i.e. where Central or State government ownership is 51% or more) are not eligible to participate in the Transaction.
- (c) Bidder must preferably be engaged in business of manufacturing or assembling or testing of products / equipments pertaining to Capital Goods Sector or Auto Sector for a period of at least three years.
- (d) The Bidder shall have a minimum Net Worth[¥] of Rs. 20 Crores (Rupees twenty crore only) at the close of the preceding financial year[§]. Certificate from its statutory auditors certifying the net worth of the Bidder, as at the close of the preceding financial year, and also specifying that the methodology adopted for calculating such net worth shall be submitted.
- (e) The Bidder shall have minimum Net Cash Accrual[#] of Rs. 5 crores in each of the last 3 financial years ending on 31.03.2018. Certificate from its statutory auditors certifying the Net Cash Accrual of the Bidder, for each of the 3 years ending on 31.03.2018 and also specifying that the methodology adopted for calculating such Net Cash Accrual shall be submitted.
- (f) The Bidder must not have been blacklisted or been barred by any agency of the Central Government, State Government, any statutory Authority or any Public Sector Undertaking as the case may be, from participating in any Bid.

[§] "Net Worth" shall mean 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

[¥] "Capital Goods" means any plant, machinery, equipment or accessories required for manufacture or production, either directly or indirectly, of goods or for rendering services, including those required for replacement, modernization, technological upgradation or expansion

[§] In case a Bidder has issued any fresh Equity Capital during the current financial year, the same shall be permitted to be added to the Bidder's Net Worth subject to the Statutory Auditor of the Bidder certifying to this effect.

[#] Net Cash accrual shall mean Profit after Tax plus non-cash expenses for the year under consideration.

2.4 SIGNING AND SUBMISSION OF BID

2.4.1 The Bid shall be signed in indelible blue ink by the authorised signatory of the Bidder. All the alterations, omissions, additions or any other amendments made to the bid shall be initialled by the person(s) signing the bid.

2.4.2 Documents Comprising the Technical Bid:

- (a) Copy of the proof of payment towards the cost of RFP process.
- (b) Appendix-I (Letter comprising the Technical Bid) including and supporting certificates / documents.
- (c) Power of Attorney for signing the bid as per the format at Appendix-II;
- (d) Details of bidder as per the format provided in Appendix-III.
- (e) Declaration as per format provided in Appendix-IV.
- (f) Bid Security of Rs 10 Lakhs (Rupees Ten lakh only) in the form Bank Guarantee in the format at Appendix-V from a Scheduled Bank or by way of NEFT to the specified account of HMT.
- (g) Statutory Auditor's certificate certifying the net worth and net cash accruals.
- (h) Copy of Memorandum and Articles of Association, if the Applicant is a body corporate, and if a Limited Liability Partnership (LLP) then a copy of its partnership deed;
- (i) Copies of Bidder's duly audited annual report along with balance sheet and profit and loss statement for preceding 3 years.

Documents Comprising the Financial Bid

- (j) Appendix-VI (Letter comprising the Financial Bid)

2.4.3 The documents listed at clause 2.4.2 shall be submitted as follows:

Envelope 1: Envelope 1 should contain all the originally signed documents (as listed in clause 2.4.2) and should be sealed and duly superscribed as **“Technical bid for lease of the manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on an “As is where is” basis (“the Transaction”)”**.

Envelope 2: Envelope 2 should contain only the Financial Bid as per the format provided at Appendix-VI and should be sealed and duly superscribed as **“Financial bid for lease of the manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on an “As is where is” basis (“the Transaction”)”**.

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

Sealed Envelope 1 and sealed Envelope 2 shall then be placed in a third envelope (**“Envelope 3”**), which shall be sealed and duly superscribed as **“Bid for lease of the manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on an “As is where is” basis (“the Transaction”)”** and shall clearly indicate the name and address of the Bidder.

2.4.4 The envelope shall be addressed to the following officer and shall be submitted at the respective address:

ATTN. OF: Joint General Manager (CP&AM),
HMT Limited, HMT Bhavan, No.59, Bellary Road,

PHONE No. : Bangalore – 560032
(080) 23330333
E-MAIL ADDRESS: cplg@hmtindia.com

- 2.4.5** Bids submitted by fax, telex, telegram or e-mail shall not be entertained and shall be summarily rejected.
- 2.4.6** Receipt of Bid and the documents listed at Clause 2.4.2 of the RFP after the prescribed date and time specified at Clause 2.1.17 shall not be considered and the bid shall be summarily rejected.
- 2.4.7** The Bidder may modify, substitute or withdraw its bid after submission but prior to the Bid Due Date. No bid can be modified, substituted or withdrawn by the Bidder on or after the Bid Due Date & Time.
- 2.4.8** Notwithstanding anything contained in this RFP, HMT reserves the sole right and discretion to reject any bid and to annul the bidding process and reject all bids 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 HMT rejects or annuls all the bids, it may, in its discretion, invite all eligible Bidders to submit fresh bids hereunder. HMT reserves the right not to proceed with the Bidding process at any time, without notice or liability, or any consequences and to reject any bid without assigning any reasons.
- 2.4.9** The bids shall be valid for a period of not less than 120 (one hundred and twenty) days from the Bid Due Date. The validity of bids may be extended by mutual consent of the respective Bidders and HMT.
- 2.4.10** Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising HMT in relation to, or matters arising out of, or concerning the Bidding Process. HMT will treat all information, submitted as part of the bid, in confidence and will require all those who have access to such material to treat the same in confidence. Bidder may not divulge any information in regard to the transaction unless it is directed to do so by any statutory entity 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 HMT or as may be required by law or in connection with any legal process.
- 2.4.11** Save and except as provided in this RFP, HMT shall not entertain any correspondence with any Bidder in relation to acceptance or rejection of any Bid.

2.5 OPENING AND EVALUATION OF BIDS

- 2.5.1** HMT shall open the Technical Bids received on date and time specified at Clause 2.1.17 in the presence of the Bidders who choose to attend. HMT shall open the Technical Bids on date and time specified at Clause 2.1.17 in the presence of the authorized representatives of the Bidders, who choose to attend. HMT will subsequently examine and evaluate the Bids in accordance with the provisions of the RFP.
- 2.5.2** HMT will subsequently examine and evaluate the Bids in accordance with the provisions set out in this section.
- 2.5.3** To facilitate evaluation of Bids, HMT may, at its sole discretion, seek clarifications in writing from any Bidder regarding its Bid.
- 2.5.4 Tests of responsiveness**
- 2.5.4.1 As a first step towards evaluation of Technical Bids, HMT shall determine whether each Technical Bid is responsive to the requirements of this RFP. A Technical Bid shall be considered responsive only if all the documents listed in clause 2.4.2 have been submitted by the bidder.
- 2.5.4.2 HMT reserves the right to reject any Technical Bid which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by HMT in respect of such Bid.
- 2.5.5** Only those Bidders who meet the test of responsiveness as specified in Clause 2.5.4 above shall qualify for technical evaluation. Bids of those Bidders which do not meet the eligibility and qualification criteria specified in clause 2.3 shall be rejected.
- 2.5.6** HMT shall inform the venue and time of opening of the Financial Bids to the technically qualified Bidders through e-mail. HMT shall open the Financial Bids in the presence of the authorised representatives of the Bidders who may choose to attend.
- 2.5.7 Selection of Bidder**
- 2.5.7.1 Only those Financial Bids shall be evaluated that are submitted strictly as per the format provided at Appendix VI. Bidders may bid for one or more Transaction Category (specified in clause 2.1.6) as per his requirement and in the manner specified in the format provided at Appendix VI. The bid price submitted by the Bidder shall be assessed against the reserve price set by HMT. HMT shall decide one or more successful bidder(s) (hereinafter referred to as "Successful Bidder") in such a manner that the aggregate Lease Rental for all or any category is maximised (**Assessed Bid Price**).
- 2.5.7.2 In the event that, the Assessed Bid Price of two or more Bidders is the same (the "**Tie Bids**"), HMT shall identify the Selected Bidder by draw of lots, which shall be conducted, with prior notice, in the presence of the Tie Bidders who choose to attend
- 2.5.7.3 In the event that the Highest Bidder is not selected for any reason, HMT shall annul the bidding process and invite fresh Bids. In the event that HMT rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Financial Bids hereunder.
- 2.5.7.4 A Letter of Acceptance (the "**LOA**") shall be issued by HMT to the Selected Bidder, in duplicate and the Selected Bidder shall, within 7(seven) days of the receipt of the LOA, sign and return the duplicate

copy of the LOA in acknowledgement thereof. In the event the duplicate copy of the LOA duly signed by the Selected Bidder is not received by the stipulated date, HMT may, unless it consents to extension of time for submission thereof, appropriate the Bid Security of such Bidder as Damages on account of failure of the Selected Bidder to acknowledge the LOA.

2.5.7.5 The Selected Bidder shall pay to HMT, the security deposit equivalent to 3 months' Lease Rent within 07 (seven) days of receipt of acceptance of LOA by HMT.

2.5.7.6 After acknowledgement of the LOA as aforesaid by the Selected Bidder, HMT shall issue offer of possession to the Selected Bidder and it shall cause the Bidder to execute the Agreement within the 15 days thereof. The Selected Bidder shall not be entitled to seek any deviation, modification or amendment in the Agreement.

2.6 PRE-BID CONFERENCE AND SITE VISIT

- 2.6.1** Pre-Bid conference of the Bidders shall be convened at the designated date, time and place. A maximum of two representatives of prospective Bidders shall be allowed to participate on production of authority letter from the Bidder.
- 2.6.2** During the course of Pre-Bid conference(s), the Bidders will be free to seek clarifications and make suggestions for consideration of HMT. HMT shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process.
- 2.6.3** Bidders shall be given opportunity to conduct the site visit and ascertain the site conditions, location, surroundings, climate, availability of power, water & other utilities for construction, access to site, handling and storage of materials, weather data, applicable laws and regulations, and any other matter considered relevant by them. Bidders are advised to visit the site and familiarise themselves with the Project with in the stipulated time of submission of the Bid. No extension of time is likely to be considered for submission of Bids.
- 2.6.4** It shall be deemed that by submitting a Bid, the Bidder has satisfied itself about all matters, things and information including matters referred to in this clause 2.6.3 necessary and required for submitting an informed bid and performance of all of its obligations thereunder.

SECTION 3: FORMATS AND APPENDICES

APPENDIX-I: LETTER COMPRISING THE TECHNICAL BID

(To be forwarded on the letter head of the Bidder)

Joint General Manager (CP&AM)
HMT Limited,
HMT Bhavan,
59, Bellary Road,
Bangalore– 560032

Subject: Bid for lease of manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on an **“As is where is”** basis (the **“Transaction”**).

Dear Sir,

With reference to your RFP document bearing Reference Number dated *** **, I/we, having examined the bidding documents and understood their contents, hereby submit my/our bid for the aforesaid mentioned Transaction i.e. bid for *lease of manufacturing, assembly and testing facilities of the Tractor Division available at Pinjore on an “As is where is” basis (“Transaction”)*. The bid is unconditional and unqualified.

1. We acknowledge that HMT will be relying on the information provided in the bid and the documents accompanying the bid for selection of the lessee for the aforesaid Transaction, and we certify that all information provided in the bid along with the supporting documents are true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying the bid are true copies of their respective originals.
2. This statement is made for the express purpose of our selection as the lessee for the aforesaid Transaction.
3. We shall make available to HMT any additional information it may find necessary or require to supplement or authenticate the BID.
4. We acknowledge the sole right and discretion of HMT to reject our Bid without assigning any reason whatsoever
5. We certify that we have not been blacklisted or barred by any Agency of the Central Government, State Government, any Statutory Authority or any Public Sector Undertaking, as the case may be, from participating in any Bid.
6. We certify that in the last three years, we have not been barred from any contractual non-compliance and such bar does not exist from the date of submission of the bid.

7. We declare that:

- a) We have examined and have no reservations to the bidding documents, including any Addendum issued by the company; and
- b) We do not have any conflict of interest in accordance with Clauses 2.3.1 (a) of the RFP document; and
- c) We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in respect of any tender or request for proposal issued by or any Agreement entered into with HMT or any other public sector enterprise or any government, Central or State; and
- d) We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice; and
- e) The undertakings given by us along with the Bid in response to the RFP and information mentioned for the evaluation of the bid were true and correct as on the date of making the Bid and are also true and correct as on the Bid Due Date and I/we shall continue to abide by them.

For the purposes of this clause 6, the following terms shall have the meaning hereinafter respectively assigned to them:

- (a) "corrupt practice" means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official, Consultant or Advisor of HMT who is or has been associated in any manner, directly or indirectly, with the Bidding Process or the LOA or has dealt with matters concerning the Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of HMT, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); or (ii) engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the Agreement, as the case may be, any person in respect of any matter relating to the Transaction or the LOA or the Agreement, who at any time has been or is a legal, financial or technical or transactional adviser of HMT in relation to any matter concerning the Transaction;
- (b) "fraudulent practice" means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts;
- (c) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the Bidding Process;
- (d) "undesirable practice" means (i) establishing contact with any person connected with or employed or engaged by HMT with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and
- (e) "restrictive practice" means forming a cartel or arriving at any understanding or

arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

In the event of being directly or indirectly engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in respect of the bidding process, we are liable for any action being initiated by HMT against us including rejection of our Bid and forfeit of Bid security without giving any notice and blacklisting.

8. We understand that you may cancel the bidding process at any time and that you are neither bound to accept any bid that you may receive nor to invite the Bidders to bid for the Transaction, without incurring any liability to the Bidders, in accordance with Clause 2.4.9 of the RFP document.
9. We believe that we satisfy(s) the Net Worth criteria, Net Cash Accruals and meet the requirements as specified in the RFP document.
10. We certify that in regard to matters other than security and integrity of the country, we have not been convicted by a Court of Law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Transaction or which relates to a grave offence that outrages the moral sense of the community.
11. We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government or convicted by a Court of Law.
12. We further certify that no investigation by a regulatory authority is pending either against us or against our Key Managerial Personnel or any of our directors.
13. 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 HMT in connection with the selection of the Bidder, or in connection with the bidding process itself, in respect of the Transaction.
14. In the event of my being declared as the Selected Bidder, I/we agree to enter into an Agreement in accordance with the draft that has been provided to me prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.
15. We have studied RFP carefully. We understand that except to the extent as expressly set forth in the Agreement, we shall have no claim, right or title arising out of any documents or information provided to us by the company or in respect of any matter arising out of or relating to the bidding process including the award of Agreement.
16. We offer a Bid Security of Rs. 10,00,000/- (Rupees ten lakh only) to the company in accordance with the RFP Document.
17. The Bid Security in the form of a Bank Guarantee / NEFT details is attached.
18. We agree and understand that the Bid is subject to the provisions of the bidding documents. In no case, we shall have any claim or right of whatsoever nature if the Transaction is not awarded to us or our bid is not opened or rejected.

19. The bid price has been quoted by us after taking into consideration all the terms and conditions stated in the RFP, draft Agreement, our own estimates of costs and after a careful assessment of the site and all other conditions that may affect the Transaction cost.
20. We agree and undertake to abide by all the terms and conditions of the RFP document and be severally liable for all the obligations of the lessee under the Agreement, in the event of being selected as the Lessee.
21. We shall keep this offer valid for 120 (one hundred and twenty) days from the Bid Due Date specified in the RFP.
22. We hereby submit our bid and offer a bid price as indicated in Financial Bid for undertaking the Transaction in accordance with the RFP and the Agreement.

We submit this bid under and in accordance with the terms of the RFP document.

Yours faithfully,

Date:

Place:

Name & seal of Bidder

(Signature, name and designation
of the Authorised signatory)

APPENDIX-II: POWER OF ATTORNEY FOR SIGNING OF BID

(To be executed on non-judicial stamp paper of value Rs. 100)

Know all men by these presents, We..... (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorize Mr./ Ms (name), son/daughter/wife of and presently residing at, who is presently employed with us 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, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our bid for the lease of manufacturing, assembly and testing facilities of the Tractor Division available at Pinjore on an "As is where is" basis ("Transaction") including but not limited to signing and submission of all applications, BIDs and other documents and writings, participate in Pre-BID and other conferences and providing information/ responses to HMT, representing us in all matters before the Company, signing and execution of all contracts including the agreement and undertakings consequent to acceptance of our bid, and generally dealing with the Company in all matters in connection with or relating to or arising out of our bid for the said lease and/ or upon award thereof to us and/or until the entering into a Contract with the company.

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 our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE,, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF 2.....

For
(Signature, name, designation and address)
of person authorized by Board Resolution
(in case of Firm/ Company)/ partner in case of
Partnership firm

Witnesses:

- 1.
- 2.

Accepted

.....

(Signature)

(Name, Title and Address of the Attorney)

(Notarised)

Person identified by me/ personally appeared before me/
Attested/ Authenticated*

(*Notary to specify as applicable)

(Signature Name and Address of the Notary)

Seal of the Notary

Registration No. of the Notary

Date:.....

Notes:

- *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.*
- *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 legalised by the Indian Embassy and notarised 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 legalised by the Indian Embassy if it carries a conforming Apostille certificate.*

APPENDIX-III: DETAILS OF THE BIDDER

1. (a) Name:
(b) Country of incorporation:
(c) Address of the corporate headquarters and its branch office(s), if any, in India:
(d) Date of incorporation and/ or commencement of business:
2. Brief description of the Bidder including details of its main lines of business:
3. Details of individual(s) who will serve as the point of contact/communication for the Company:
 - (a) Name:
 - (b) Designation:
 - (c) Company:
 - (d) Address:
 - (e) Telephone Number:
 - (f) E-Mail Address:
 - (g) Fax Number:
4. Particulars of the Authorised Signatory of the Bidder:
 - (a) Name:
 - (b) Designation:
 - (c) Address:
 - (d) Phone Number:
 - (e) Fax Number:
 - (f) Class III Digital Signature Certificate ID number
5. A statement by the Bidder (where applicable) disclosing material non-performance or contractual non-compliance in past projects, contractual disputes and litigation/ arbitration in the **last 2 years including the amount involved**:

(Name and signature of Authorized Signatory)

(IBs' name)

(IBs' Address)

APPENDIX-IV: DECLARATION

(To be forwarded on the letter head of the Bidder)

DECLARATION

1. We hereby declare that, we have read and gone through the PIM and all the terms and conditions contained in the RFP bearing reference No..... dt..... before submitting the bid.
2. We are furnishing all the information as required to the best of our knowledge and ability.
3. In case, HMT finds at a later date that any of the information furnished by us is false, we are liable for any action being initiated by HMT against us including rejection of our bid and forfeit of bid security without giving any notice and / or black listing.
4. By submitting the bids, we accept all the terms and conditions as mentioned in the RFP and Draft Lease Agreement unconditionally.
5. We declare that the validity of the offer is for a minimum period of 120 days from the bid due date specified in the RFP.
6. 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 HMT and/or the Government of India in connection with the selection of the Lessee or in connection with the Bidding / Selection Process itself.
7. We agree and understand that the Bid is subject to the provisions of the RFP document. In no case, shall we have any claim or right of whatsoever nature if the transaction is not awarded to us or our bid is not opened or rejected for any reason whatsoever.
8. In the event of us being selected as the Lessee, we agree and undertake to perform all the obligations in accordance with the provisions of the RFP / Lease Agreement in a timely manner.
9. We solemnly declare that we or our Director(s) or Key Managerial Personnel 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 be an offence which is of such nature that outrages the moral sense of the community and shall include:

- a) SEBI orders which directly relate to "Fraud" as defined in the SEBI Act, 1992 and/or any of the regulations, rules, circulars, notifications, etc. made thereunder.
 - b) SEBI orders on the IB casting doubt on the ability of the IB to manage the Lease of manufacturing, assembling and testing facilities of tractor division of HMT Limited.
 - 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.
10. We certify that in the last five years, we have not been barred from contractual non-compliance and such bar does not exist from the date of submission of the bid.

11. We certify that we have not been blacklisted or barred by any Agency of the Central Government. State Government. Any Statutory Authority or any Public Sector Undertaking, as the case may be, from participating in any Bid.
12. We further declare that we, our promoters / Directors or Key Managerial Personnel have not been issued a charge sheet by any Government Authority or convicted by a court of law for any offence with regard to matters relating to the security and integrity of the country.
13. We further declare that we, our Director(s) or Key Managerial Personnel are not under any investigation pending before any regulatory authority or other authority.
14. We declare that complete information as required is provided in our bid.

(Name and signature of Authorized Signatory)

(IBs' name)

(IBs' Address)

APPENDIX-V: BANK GUARANTEE FOR BID SECURITY

B.G. No. Dated:

1. In consideration of you, HMT Limited , having its office at _____, (hereinafter referred to as the “HMT”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of (a Company registered under Companies Act, 1956/2013) or Limited Liability Partnership under the Limited Liability Partnership Act 2008 and having its registered office at (hereinafter referred to as the “Bidder” which expression shall unless it be repugnant to the subject or context thereof include its/ legal representatives, their executors administrators, successors and permitted assigns), for the *lease of manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on an “As is where is” basis* (hereinafter referred to as “Transaction”) pursuant to the RFP Document dated and other related documents including without limitation the draft Agreement (hereinafter collectively referred to as “Bidding Documents”), we _____(Name of the Bank) having our registered office at and one of its branches at (hereinafter referred to as the “Bank”), at the request of the Bidder, do hereby in terms of Clause 2.1.4 of the RFP Document, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Documents (including the RFP Document) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to HMT an amount of **Rs. 10,00,000/- (Rupees ten lakh only)** (hereinafter referred to as the “Guarantee”) as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfil or comply with all or any of the terms and conditions contained in the said Bidding Documents.
2. Any such written demand made by HMT stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Bank.
3. We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of HMT is disputed by the Bidder or not, merely on the first demand from HMT stating that the amount claimed is due to HMT by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Bidding Documents including failure of the said Bidder to keep its bid open during the bid validity period as set forth in the said Bidding Documents for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding **Rs. 10,00,000/- (Rupees ten lakh only)**.
4. This Guarantee shall be irrevocable and remain in full force for a period of 120 (one hundred and twenty) days from the Bid Due Date and a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between HMT and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.
5. We, the Bank, further agree that HMT shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding

Documents including, inter alia, the failure of the Bidder to keep its bid open during the bid validity period set forth in the said Bidding Documents, and the decision of HMT that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between HMT and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority.

6. The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person.
7. In order to give full effect to this Guarantee, HMT shall be entitled to treat the Bank as the principal debtor. HMT shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the bid validity period or the period for conveying acceptance of Letter of Acceptance by the Bidder or the period for fulfillment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to HMT, and the Bank shall not be released from its liability under these presents by any exercise by HMT of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of HMT or any indulgence by HMT to the said Bidder or by any change in the constitution of HMT or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its such liability.
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.
9. We undertake to make the payment on receipt of your notice of claim on us addressed to name of Bank along with branch address and delivered at our above branch who shall be deemed to have been duly authorised to receive the said notice of claim.
10. It shall not be necessary for HMT to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which HMT may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealised.
11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of HMT in writing.
12. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this Guarantee for and on behalf of the Bank.
13. For the avoidance of doubt, the Bank's liability under this Guarantee shall be restricted to Rs **10,00,000/- (Rupees ten lakh only)**. The Bank shall be liable to pay the said amount or any part thereof only if HMT serves a written claim on the Bank on or before *** (indicate date falling 180 days after the Bid Due Date).

Signed and Delivered by

Bank

By the hand of Mr./Ms, its..... and authorised official.

(Signature of the Authorised Signatory)

(Official Seal)

APPENDIX-VI: LETTER COMPRISING THE FINANCIAL BID

(Uploaded separately)

APPENDIX-VI: LETTER COMPRISING THE FINANCIAL BID

(Uploaded separately)

SECTION 4: DRAFT AGREEMENT

(Shall be uploaded separately under Corrigendum)

APPENDIX-VI: LETTER COMPRISING THE FINANCIAL BID

(To be forwarded on the letter head of the Bidder)

Joint General Manager (CP&AM)
HMT Limited,
HMT Bhavan,
59, Bellary Road,
Bangalore– 560032

Subject: *Lease of manufacturing, assembling and testing facilities of the Tractor Division available at Pinjore on an “As is where is” basis (“Transaction”).*

Dear Sir,

With reference to your RFP document bearings Reference No. _____ dated *****, I/we, having examined the bidding documents and understood their contents, hereby submit my/our bid for the Transaction.

1. We acknowledge that HMT will be relying on the information provided in the bid and the documents accompanying the bid for selection of the lessee for the aforesaid lease of manufacturing, assembling and testing facilities of tractor division of HMT Limited, and we certify that all information provided in the bid are true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying the bid are true copies of their respective originals.
2. The bid price has been quoted by me/us after taking into consideration all the terms and conditions stated in the RFP, draft Agreement, our own estimates of costs and after a careful assessment of the site and all own the conditions that may affect the project cost and implementation of the project.
3. We acknowledge the right of HMT to reject our bid without assigning 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.
4. In the event of our being declared as the Selected Bidder, we agree to enter into an Agreement in accordance with the draft that has been provided to me/us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.
5. We shall keep this offer valid for 120 (one hundred and twenty) days from the Bid Due Date specified in the RFP.
6. We acknowledge that the Lease Rental quoted is exclusive of any applicable taxes.

7. We hereby submit our Bid for the subject Transaction in accordance with the Bidding documents and the Agreement as follows:

| S. No. | Transaction Category | Category Symbol |
|--------|---|-----------------|
| 1. | Factory area (Covered and open) with Plant, machinery and equipment in factory area | A |
| 2. | R&D area (Covered and open) with all machinery and equipment in R&D area | B |

| S. No. | Bid for Category | Monthly Lease Rental applicable for the first year (INR) | |
|--------|------------------|--|----------|
| | | In figures | In Words |
| 1. | A Only | | |
| 2. | B Only | | |
| 3. | A & B together | | |

Yours faithfully,

Date:
the
Place:
Name & seal of Bidder

(Signature, name and designation of
Authorised Signatory)