

**REQUEST FOR PROPOSAL FOR**  
**“APPOINTMENT OF LEGAL CONSULTANT TO ADVISE ON THE**  
**BIFR STATUS INCLUDING REQUISITE STATUTORY**  
**COMPLIANCES**  
**&**  
**ADVISING WITH ACTUAL EXECUTION OF TASK ON TURNKEY**  
**BASIS FOR RESTRICTING THE CHARGE CREATED BY**  
**CONSORTIUM OF BANKS ON LAND & BUILDING OF ITI AGAINST**  
**THE WORKING CAPITAL EXPOSURE AND TO GET THE CHARGE**  
**VACATED ON THE REMAINING PARCEL OF LAND & BUILDING**  
**OF THE COMPANY”**  
**(Through E-Tender Mode)**

MATERIALS MANAGEMENT DEPARTMENT  
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ITI Limited, ITI Bhavan, Doorvaninagar  
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**ITI LIMITED**

(A Government of India Undertaking)  
Registered & Corporate Office  
ITI Bhavan, Dooravaninagar  
Bengaluru – 560 016  
Karnataka, India  
Website: [www.itilttd.in](http://www.itilttd.in)

This RFP contains 71 Pages

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 <b>ITI LIMITED</b>		<b>Phone Nos:</b> <b>080-25617713</b> <b>080-25614466</b> <b>Ext.2263</b>
<b>REGD. &amp; CORPORATE OFFICE, ITI BHAVAN, DOORAVANINAGAR, BENGALURU - 560 016, INDIA</b>		
<b>REQUEST FOR PROPOSAL (RFP)</b>		
	<b>RFP TYPE :</b> <b>ENQUIRY REF :</b> <b>ENQUIRY DATE:</b>	<b>TWO BID SYSTEM</b> <b>CRP22D005/1</b> <b>30.04.2022</b>
Please quote your best prices for the item as mentioned below.		
<b>SI NO</b>	<b>ITEM DESCRIPTION</b>	<b>Quantity</b>
1)	<b>REQUEST FOR PROPOSAL FOR APPOINTMENT OF LEGAL CONSULTANT TO ADVISE ON THE BIFR STATUS INCLUDING REQUISITE STATUTORY FILING &amp; ADVISING WITH ACTUAL EXECUTION OF TASK ON TURNKEY BASIS FOR RESTRICTING THE CHARGE CREATED BY CONSORTIUM OF BANKS ON LAND &amp; BUILDING OF ITI AGAINST THE WORKING CAPITAL EXPOSURE AND TO GET THE CHARGE VACATED ON THE REMAINING PARCEL OF LAND &amp; BUILDING OF THE COMPANY</b>	01
<b>Note:</b>	1.Offers are to be submitted strictly as per details furnished in this RFP	
<b>FOR SUBMISSION OF ONLINE BID AND PROCEDURE TO BE FOLLOWED</b> <b>VISIT <a href="http://www.tenderwizard.com/ITILIMITED">www.tenderwizard.com/ITILIMITED</a></b>		
<b>All vendors have to register in website: <a href="http://www.tenderwizard.com/ITILIMITED">www.tenderwizard.com/ITILIMITED</a> for submitting online BID</b>		
<b>Bid Publishing Date</b>	<b>30-04-2022</b>	
<b>PRE-BID MEETING</b>	<b>07-05-2022</b>	<b>1100 HRS</b>
<b>BID DUE DATE AND TIME:</b>	<b>15-05-2022</b>	<b>1700 HRS</b>
<b>BID OPENING DATE AND TIME (ONLY TECHNICAL BID)</b>	<b>16-05-2022</b>	<b>1200 HRS</b>
<b>VENUE FOR PRE-BID MEETING: DP CONFERENCE ROOM, 2<sup>ND</sup> FLOOR, CORPORATE OFFICE, ITI BHAWAN, DOORAVANINAGAR, BANGALORE-560016</b>		
<b>Enclosure:</b> 1) Annexure I (BIFR Order dated 08.01.2013 in Case No. 504/2004 M/s ITI ltd) 2) Annexure II (Scope of Work) 3) Annexure III (Evaluation sheet – QCBS) 4) Annexure IV (Format of unconditional Bid on the Letterhead of the Bidder) 5) Annexure V (Price Bid Format) 6) Annexure VI (Confidentiality and Non-Disclosure agreement) 7) Annexure VII (Integrity Pact) 8) Annexure VIII (BID SECURITY DECLARATION FORM) 9) Annexure IX (DECLARATION OF RELATION IN ITI) 10) Annexure X (BID FORM) 11) Annexure XI (UNDERTAKING FOR NOT BLACKLISTING) 12) Annexure XII (PERFORMANCE BANK GUARANTEE PROFORMA)		For ITI Limited  DGM-MM & CPIO Ph: 080 25617713(D) 080-25614466 Extn:2263 Email: <a href="mailto:corporatemm@itilttd.co.in">corporatemm@itilttd.co.in</a>

**NOTE: DO NOT DISCLOSE ANY PRICE/ PRICE BID IN TECHNICAL BID**

## 1. INTRODUCTION:

- 1.1. ITI Limited, (hereinafter referred to as 'ITI' or 'Company') is a Schedule "A" Public Sector undertaking, under the administrative control of Ministry of Communications, Department of Telecommunication (DoT). It was incorporated in 1950 as the first Public Sector Undertaking (PSU) established by Government of India (GoI) for manufacture of telecommunication/ transmission/switching equipment.
- 1.2. Till 1993-94 it was the sole supplier of equipment to DoT on a cost plus basis. After liberalized economic environment, ITI had to operate in a highly competitive market and compete with global MNC players. With rapidly changing technology in the Telecom sector and absence of strong in-house R & D base the performance of the company was adversely affected. Due to lack of product technology and the poor financial strength made it difficult for the company to take up the new orders which had a direct bearing on its top line and the bottom line to a large extent. Consequent upon the entire erosion of net worth of ITI as on 31.03.2004, a reference was made to BIFR by the company under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) on 24 .09.2004.
- 1.3. BIFR vide its Order dated 08.01.2013 in Case No. 504/2004 M/s ITI ltd has sanctioned a Revival Scheme for implementation. (Copy attached as **Annexure 'I'**).
- 1.4. The Cabinet Committee on Economic Affairs based on the recommendations of Board for Reconstruction of Public Sector Enterprise (BRPSE) approved a Revival Scheme for the company by fund infusion of Rs 4,156.79 Cr (Capital Grant of Rs 2,264 Cr in the form of equity and balance Rs 1,892.79 Cr in the form of Grant-in-Aid).
- 1.5. As on 31 March 2022, Rs 945.563 Cr towards Capital Grant and Rs 1,892.79 Cr Grant-in-Aid has been released by Department of Telecommunication.

## 2. CAPITAL STRUCTURE & FINANCIAL PERFORMANCE

2.1 The Capital structure of the Company is as follows:

Capital Structure	Equity		Preference	
	No. of Shares (face value of Rs 10 each)	Amount (Rs in Crore)	No. of Shares (face value of Rs 100 each)	Amount (Rs in Crore)
Authorised	280,00,00,000	2800	7,00,00,000	700
Paid up	93,35,22,869	933	---	---

2.2 Equity shareholding pattern of the Company as on 31st March 2022 is as follows:

Category of shareholder	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
<b>Promoter &amp; Promoter Group</b>		
President of India	83,98,58,083	89.97
Government of Karnataka	3,12,500	0.03
<b>Public Shareholding</b>		
Special National Investment Fund	7,31,32,976	7.83
General Public	2,02,19,310	2.19
<b>Total</b>	<b>93,35,22,869</b>	<b>100.00</b>

2.3 For the financial year 2020-21, the Company achieved turnover of Rs 2,578 crore with Profit after Tax of Rs 11 crore. The Net Worth of the Company has turned positive and is Rs.2, 420 crore as on 31.03.2021.

### 3. PROPOSAL:

3.1 The Company has availed working capital limits from consortium of 7 Public Sector Banks. The details of Working Capital Limits availed as on 31.03.2022. The details of land & building currently mortgaged with the consortium of banks is as under:

Unit	Location	Area (In acres)
BANGALORE	KR Puram	438.85
	Electronic City	53.038
	Magrath road	0.77
PALAKKAD	Kerala	57.26
NAINI	Uttar Pradesh	177.61
RAE BARELI	Uttar Pradesh	308.21
MANKAPUR	Uttar Pradesh	352.3
SRINAGAR	J & K	9.38
<b>Total</b>		<b>1397.418</b>

3.2 The Working Capital Limits availed by the company from Consortium of banks is as under:

#### Working Capital Limits as on 31.03.2022

(Rs. in Cr.)

Sl. No.	Banks	Fund Based	Non-Fund Based			Total
		CC	LC	BG	CEL*	
(A)	<b>Regular Consortium Limits</b>	995.00	345.00	379.00	2.50	1721.50
	<b>Sub-Total(A)</b>	<b>995.00</b>	<b>345.00</b>	<b>379.00</b>	<b>2.50</b>	<b>1721.50</b>
(B)	<b>Project / purpose specific limits</b>	426.33	320.00	744.03	0.00	1490.36
	<b>Sub-Total(B)</b>	<b>426.33</b>	<b>320.00</b>	<b>744.03</b>	<b>0.00</b>	<b>1490.36</b>
	<b>Total Sanctioned Limits (A+B)</b>	<b>1421.33</b>	<b>665.00</b>	<b>1123.03</b>	<b>2.50</b>	<b>3211.86</b>
			<b>1790.53</b>			

3.3 ITI had got valuation of its land & building presently under mortgage with the consortium of banks. The approximate valuation was arrived at Rs 13,000 Cr approximately in 2019.

- 3.4 In order to restrict the encumbrance on the said property to the extent of Working Capital Limits availed ITI intends to engage corporate law firms/advocates for undertaking the task on Turnkey basis (End to End) and to furnish the list of remaining properties with original title deed as released by the Consortium of banks in a time bound manner. The detailed scope of Work is enshrined in Annexure 'II'.

#### **4. ELIGIBILITY CRITERIA:**

- 4.1 Bidders should be a reputed domestic law firm having expertise and at least 5 years of experience of dealing with banks/valuation of property/ Mergers & Acquisition/vacation of charge followed by requisite statutory filings with RoC/Sub-Registrar/BIFR/NCLT.
- 4.2 Bidders should have offices in Bengaluru & Mumbai with all requisite operational infrastructure, manpower and should have tie-up with experienced partners operating out of states of Delhi, Uttar Pradesh & Kerala, for requisite liaising with respective State Revenue authorities.
- 4.3 Bidders should have advised, handled and successfully completed at least one transaction of Valuation of Property/Merger & Acquisitions/Vacation of Charge as a legal Consultant size of Rs 1000 crore or more during the period starting from April 1, 2017 to March 31, 2022.
- 4.4 The bidding Legal Consultants should give an undertaking that they have not been prohibited by any regulatory authority in offering such services and should not have ever been black listed/ debarred by any authority in the past.
- 4.5 The bidding legal Consultant should give an undertaking that no action has been initiated against them by SEBI/CVC/RBI or any other government/ statutory agency with regard to any financial irregularities etc.
- 4.6 The interested Bidders should not have any conflict of interest in any manner whatsoever with the Company which is prejudicial to its interests, and the decision of the Company regarding the same shall be final and binding.

#### **5. PROPOSAL FORMAT**

- 5.1 Interested Domestic Law Firm may submit their online proposal on our e-procurement portal [www.tenderwizard.com/ITILIMITED](http://www.tenderwizard.com/ITILIMITED) on or before the date & time as specified at page 4 of this RFP document.
- 5.2 The proposals are to be submitted in detail as indicated in the following sections. The weightage for evaluation of the legal Consultants in respect of each criterion has been indicated against each section. The technical evaluation will be done on the weightage of 100.

Section	Description	Weightage
I.	<p><b><u>Experience and capability in Handling valuation of property/ Mergers &amp; Acquisition/ vacation of charge especially with specific requirement of rendering advice on the BIFR Status of the Company including requisite Statutory Compliances &amp; advising and Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land &amp; building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land &amp; building of the company:</u></b></p> <ul style="list-style-type: none"> <li>i. Profile of the Organization.</li> <li>ii. Capability, capacity and previous experience of the law Firm and expertise in handling such assignments.</li> <li>iii. Demonstrate ability to work with Banks/RoC/BIFR/NCLT &amp; other statutory bodies.</li> </ul>	(25)
II.	<p><b><u>Infrastructure &amp; Manpower:</u></b></p> <ul style="list-style-type: none"> <li>i. Details of infrastructural facilities like office, manpower etc in India.</li> <li>ii. Detailed profile of the core and support teams (with CVs of each team member detailing qualification and relevant experience that will be deployed on each assignment in the event of selection.</li> </ul>	(25)
III.	<p><b><u>Understanding of the Regulatory framework:</u></b></p> <ul style="list-style-type: none"> <li>i. Demonstrate understanding of the legal, policy &amp; regulatory issues in Mergers &amp; Acquisitions/ /Valuation &amp; vacation of charge and statutory compliances including thorough knowledge about guidelines, rules, regulations with specific requirement of executing the task of rendering advice on the BIFR Status &amp; advising with Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land &amp; building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land &amp; building of the company.</li> <li>ii. Indicate your expertise in handling the regulatory requirements and securing the required approvals from the concerned authorities.</li> <li>iii. Past experience in dealing with such transactions.</li> </ul>	(20)
IV.	<p><b><u>Indicative Timeline:</u></b></p> <ul style="list-style-type: none"> <li>i. Demonstrate ability to deliver in accordance with tight timetable requirements and the ability to commit key personnel for the entire duration of the transaction.</li> </ul>	(10)

V.	<p><b><u>Strategy for the proposed transaction of rendering advice on the BIFR Status including requisite Statutory Compliances &amp; advising and Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land &amp; building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land &amp; building of the company:</u></b></p> <p>i. Indicate intended approach to the proposed transactions including the sequencing of the transaction to achieve effective execution.</p> <p>ii. Indicate strength in organizing the resources and the due diligence required for the transaction</p> <p>iii. Indicate capability of preparing quality document to be filed with regulatory authorities or the agreements that are required to be entered into in the course of above transaction.</p>	(20)
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## 6. UNDERTAKING-TO BE FURNISHED ALONG WITH THE PROPOSAL

*“We certify that we fulfill the eligibility criteria prescribed in the Request for Proposal of ITI Limited for selection of legal Consultant to the Company for its intended transaction of rendering advice on the BIFR Status including requisite Statutory Compliances & advising and Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land & building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land & building of the company and also confirm there has been no conviction by a Court of Law or indictment / adverse order by a regulatory authority for a grave offence against us or any of our sister concern(s). It is further certified that there is no investigation pending against us or our sister concern(s) or the CEO / Directors / Managers / Employees of our concern or of our sister concern(s).*

## 7. E-TENDERING INSTRUCTIONS

### 7.1 E-tendering Instructions to Bidders:

Submission of Bids shall be only through online process, w h i c h is mandatory for this Tender.

### 7.2 Tender Bidding Methodology:

#### **Bid System**

**Tender Type: Two bids i.e., Technical and Financial Bids** shall be Submitted by the bidder simultaneously on the portal in their respective tab.

#### NOTE:

THE FINANCIAL BID SHOULD BE QUOTED ONLY IN FINANCIAL BID TAB AND ANY DISCLOSURE OF PRICE IN TECHNICAL BID WILL BE SUMMARILY REJECTED.

### **7.3 Broad outlines of the activities from prospective Bidders:**

- 7.3.1 Procure a Digital Signing Certificate (DSC)
- 7.3.2 Register on Electronic Tendering System® (ETS)
- 7.3.3 Create Users and assign roles on ETS
- 7.3.4 View Notice Inviting Tender (NIT) on ETS
- 7.3.5 Download Official Copy of Tender Documents from ETS
- 7.3.6 Clarification to Tender Documents on ETS
- 7.3.7 Query to ITI LTD (Optional)
- 7.3.8 View response to queries posted by ITI LTD, as an addendum/corrigendum.
- 7.3.9 Bid Submission on ETS
- 7.3.10 Attend Public Online Tender Opening Event on ETS Opening of Technical/ Financial Part
- 7.3.11 View Post-TOE Clarification posted by ITI LTD on ETS (Optional) Respond to ITI LTD's Post-TOE queries.

For participating in this tender online, the following instructions need to be read carefully.

These instructions are supplemented with more detailed guidelines on the relevant screens of the ETS.

#### **Note 1:**

It is advised that all the documents to be submitted are kept scanned or converted to PDF format in a separate folder on your computer before starting online submission. BOQ (Excel Format) may be downloaded and rates may be filled appropriately. This file may also be saved in a secret folder on your computer.

#### **Note 2:**

While uploading the documents, it should be ensured that the file name should be the name of the document itself.

### **7.4 Digital Certificates:**

For integrity of data and its authenticity/ non-repudiation of electronic records, and be compliant with IT Act 2000, it is necessary for each user to have a Digital Certificate (DC) also referred to as Digital Signature Certificate (DSC), of Class 3 or above, issued by a Certifying Authority (CA) licensed by Controller of Certifying Authorities (CCA) [refer <http://www.cca.gov.in> ].

### **7.5 Registration in e-procurement portal:**

Bidder has to Register first in <https://www.tenderwizard.com/ITILIMITED> and then Tender document can be downloaded from the web site: <https://www.tenderwizard.com/ITILIMITED> and bid has to be submitted in the

e-format.

- 7.6 ITI LIMITED has decided to use process of e-tendering for inviting this tender and thus the physical copy of the tender would not be sold.

**7.7 Special Note on Security of Bids:**

Security related functionality has been rigorously implemented in ETS in a multi-dimensional manner. Starting with 'Acceptance of Registration by the Service Provider', provision for security has been made at various stages in Electronic Tender's software.

Specifically, for Bid Submission, some security related aspects are outlined below: -

As part of the Electronic Encrypt functionality, the contents of both the 'Electronic Forms' and the 'Main-Bid' are securely encrypted using a Pass-phrase created by the server itself. The Pass phrase is more difficult to break. This method of bid-encryption does not have the security and data-integrity related vulnerabilities which are inherent in e-tendering systems which use Public-Key of the specified officer of a Buyer organization for bid-encryption. Bid-encryption in ETS is such that the Bids cannot be decrypted before the Public Online Tender Opening Event (TOE), even if there is connivance between the concerned tender opening officers of the Buyer organization and the personnel of e-tendering service provider.

**7.8 Public Online Tender Opening Event (TOE):**

ETS offers a unique facility for 'Public Online Tender Opening Event (TOE)'. Tender Opening Officers as well as authorized representatives of bidders can attend the Public Online Tender Opening Event (TOE) from the comfort of their offices. For this purpose, representatives of bidders (i.e. Supplier organization) duly authorized are requested to carry a Laptop and Wireless Connectivity to Internet. Every legal requirement for a transparent and secure 'Public Online Tender Opening Event (TOE)' has been implemented on ETS.

As soon as a Bid is decrypted with the corresponding 'Pass-Phrase' as submitted online by the bidder himself (during the TOE itself), salient points of the Bids are simultaneously made available for downloading by all participating bidders. The work of taking notes during a manual 'Tender Opening Event' is therefore replaced with this superior and convenient form of 'Public Online Tender Opening Event (TOE)'.

ETS has a unique facility of 'Online Comparison Chart' which is dynamically updated as each online bid is opened. The format of the chart is based on inputs provided by the Buyer for each Tender. The information in the Comparison Chart is based on the data submitted by the Bidders in electronic forms. A detailed Technical and/ or Financial Comparison Chart enhance Transparency. Detailed instructions are given on relevant screens.

ETS has a unique facility of a detailed report titled 'Minutes of Online Tender Opening Event (TOE)' covering all important activities of 'Online Tender Opening

Event (TOE)'. This is available to all participating bidders for 'Viewing/Downloading'.

## 7.9 Other Instructions:

For further instructions, the vendor should visit the home page of the portal <https://www.tenderwizard.com/ITILIMITED>.

### **Important Note:**

It is strongly recommended that all authorized users of bidding organization/s should thoroughly peruse the information provided under the relevant links, and take appropriate action. This will prevent hiccups, and minimize teething problems during the use of ETS.

The following 'FOUR KEY INSTRUCTIONS for BIDDERS' must be **assiduously adhered to:**

1. Obtain individual Digital Signing Certificate (DSC or DC) well in advance of your tender submission deadline on ETS.
2. Register your organization on ETS well in advance of your tender submission deadline on ETS
3. Get your organization's concerned executives trained on ETS well in advance of your tender submission deadline on ETS
4. Submit your bids well in advance of tender submission deadline on ETS to avoid any unforeseen last-minute problems due to internet timeout, breakdown, etc. While the first three instructions mentioned above are especially relevant to first-time users of ETS, the fourth instruction is relevant at all times.

## 7.10 Minimum Requirements at Bidders end:

Computer System with good configuration and OS preferably supporting Windows Word, Excel & PDF, High Speed Broadband connectivity, Internet Browser and Digital Certificate(s)

## 8. SUBMISSION OF PROPOSAL:

- 8.1 The bidder should submit their bid / quote for the entire Scope of Work.
- 8.2 The tender submitted by the bidder shall remain valid for a period of 90 days from the date of opening the price bid. **Upon acceptance, the rates shall remain firm without any escalation on any account whatsoever till the execution of the project in full.**
- 8.3 All other documents as required in support of the proposal as mentioned in para 4 & 5 of the bidder for participating in the tender
- 8.4 For submission of above documents bidders are advised to follow PDF Sign in

Process while submitting the bid.

- 8.5 Whole set as documents as called for, must be submitted after being duly filled in and submitted using sign in process and digital signature. No part of the tender document shall be removed or altered.
- 8.6 Complete set of RFP document duly signed on each page of the tender documents as a token of having accepted its contents & signed using sign-in process and digital signature has to be submitted by the bidder.
- 8.7 Eligibility **Documents should** contain the following:
  - 8.7.1 Undertaking, duly signed by the authorised signatory of the bidder as per para 5;
  - 8.7.2 Certificate that the bid is unconditional as in **Annexure IV**.
  - 8.7.3 Authority letter authorizing the person of the bidder to sign the proposal and other documents; and
  - 8.7.4 Confirmation letter that you are agreeable to sign the agreements.

Above mentioned documents have to be submitted online in [www.tenderwizard.com/ITILIMITED](http://www.tenderwizard.com/ITILIMITED).

The bidders are advised to submit the self-certified scan copy of the above documents through pdf signer process in the online tender submission process in Technical Bid.

- 8.7.5 Technical bid, will be opened ONLINE at date & time specified at page 4 of this tender document. Bidders may participate in the online tender opening as per e-tendering instructions.
- 8.8 Bidders scoring mark 60 or above, out of 100 shall be technically shortlisted.
- 8.9 **Financial Bid**, to be opened of only those of shortlisted bidders. The bids will be opened online of the shortlisted bidders on the pre notified date and time. Bids with conditionality will be summarily rejected.
- 8.10 **BIDDERS ARE ADVISED TO QUOTE THEIR PRICES IN THE PRICE BID FORMAT ONLY (ANNEXURE VII) AND ANY DISCLOSURE OF PRICE/S IN THE TECHNICAL BID WILL BE SUMMARILY REJECTED.**
- 8.11 The Request for Quotation with its all enclosures and annexures shall form integral part of the contract / PO.
- 8.12 The Company reserves the sole right to accept or reject any or all Proposals thus received without assigning any reasons thereof at any stage. The decision of the Company in regard to the selection of Legal Consultant is final. The Company reserves the sole right to accept or reject any or all proposals thus received without assigning any reasons thereof.

- 8.13 In case of any dispute, the decision of the Company shall be final and binding with regard to the scope of services of the work as stated herein **Annexure- II**.
- 8.14 ITI reserve the right to call off the transaction at any stage without assigning any reasons thereof.

## 9. EVALUATION PROCESS:

- 9.1 The Company would evaluate the Bidders on the criteria mentioned in Proposal Format based on their proposals received and credentials submitted. Please note Proposal has to be submitted strictly in format as per paragraph 5. The proposals of bidders scoring more than 60 marks (shortlisted bidder) only will be considered for opening financial bid and further evaluation.

- 9.2 The Bids will be evaluated on the basis of Quality and Cost Based Selection (QCBS) (as per **Annexure III**). The QCBS evaluation would be done as under:

9.2.1 Technical Weightage 70%

9.2.2 Commercial Weightage 30%

The total score will be arrived at as under:

Total Score (TS)= Technical Rating (TR) + Commercial Rating (CR)

where

(ii) TR = Technical Score x 70%

(iii) CR= 30% x  $\frac{\text{Best Quote}}{\text{Actual Quote}} \times 100$

The score on the QCBS will determine the H1 (Legal Consultant scoring highest point/marks), H2, H3 and so on.

- 9.3 The party scoring the highest points/ marks (H1) based on the above principles would be appointed for the transaction. The other technically qualified Legal Consultants will be ranked as H2, H3 and so on.
- 9.4 The Company will use waterfall criteria for the next legal Consultant in case any shortlisted legal Consultant does not accept the appointment.

## 10. AWARD OF CONTRACT:

The H1 bidder shall be considered for awarding of the contract.

## 11. TIME FRAME:

- 11.1. Following is an indicative timeframe for the overall selection process. The Company reserves the right to revise / modify this time frame at its absolute and sole discretion and without providing any notice / intimation or reasons thereof to any of the Bidders. Changes to the timeframe will be conveyed to the relevant bidders during the process.

RFP notification time	T
Last date for RFP submission	T+15
Technical bid opening	T+16

11.2. Time frame for completing the activities defined in Scope of Work (Annexure II) would be 60 days from the date of Purchase Order.

## 12. REQUIREMENTS FOR THE FINANCIAL BID:

12.1. The Bidder is required to quote a fee in INR for the transaction as per the price bid format and submit the same in finance bid tab as detailed in e-tendering instructions for the executing the entire transaction (End to End) on a turnkey basis.

12.2. The applicant is required to quote a lump sum fee inclusive in INR and gross of taxes applicable and payable as per Law by the applicant. (ANNEXURE V) The fee quoted by the bidder shall remain fixed till successful completion of the transaction i.e till vacation of charge and release of Original Documents by the Bank. The applicant has to furnish an unconditional acceptance to Terms and Conditions for the Request for Proposal.

12.3. The fee quoted should be unconditional and inclusive of all taxes / duties and other expenditure. No separate out of pocket expenses will be payable. **It may be noted that the Bidder cannot prescribe any time limit for validity of the financial bid.** It is however, clarified that all statutory expenses, against valid receipts, will be paid by the Company.

12.4. The fee to the selected Consultant shall be paid in Indian Rupee **within** 30 days after reaching the payment milestone.

12.5. The Bidders will be liable to pay taxes applicable as per law.

12.6. **Performance Bank Guarantee. The successful bidder would have to furnish a Performance Bank Guarantee (PFG) @ 3% of Purchase Order Value within 10 days of issue of 'Letter of Intent' (LoI).**

12.7. Bidders must mandatorily quote for all the prices in price bid format mentioned in this RFP and submit the same online only in the Price Bid tab.

12.8. Price Bids of those who have been qualified technically would only be opened at a later date. The date for opening the Price Bids will be intimated through email to the eligible bidders / posted on the website of the Company at [www.itiltd.in](http://www.itiltd.in).

## 13. Payment Terms:

- 30% on receipt of submission of BIFR Status complete with requisite Statutory filing.
- 70% on completion of task with regards to restricting the charge created by consortium of banks on land & building of the company against the working capital exposure and to get the charge vacated on the remaining parcel of land & building of the company.

#### **14. JURISDICTION:**

The jurisdiction for the purpose of settlement of any dispute of differences whatsoever in respect of or relating to or arising out of or in any way touching this contract or the terms and conditions thereof or the construction and/or interpretation thereof shall be that of the appropriate court in Bangalore. The jurisdiction of any other court in any place other than Bangalore is specifically excluded.

If ITI and Underwriter fail to agree on certain issues such as tenability and quantum, the matter will be referred to Arbitrator under Arbitration and Conciliation Act, 1996.

#### **15. CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT:**

15.1 The selected Legal Consultants would be required to sign a Confidentiality and Non-disclosure agreement with the Company as per **Annexure VI**. Failure to sign the same would make their appointment null and void.

15.2 For any further clarification, contact DGM MM & CPIO, ITI Ltd, ITI Bhavan, Doorvaninagar, Bengaluru-560016; E-mail: [corporatemm@itilttd.co.in](mailto:corporatemm@itilttd.co.in)

#### **16. MISCELLANEOUS:**

##### **16.1. Purpose:**

The RFP is not a recommendation, offer or invitation to enter into a contract, agreement or other arrangement. The purpose of this RFP is to provide information to the potential Bidders, who qualify to submit the response to this RFP, to assist them in responding to this RFP. Though this RFP has been prepared with sufficient care to provide all required information to the potential Bidders, however, if needed more information can be provided herein. In such cases, the potential Bidder is solely responsible to seek the information required from the Company. The Company reserves the right to provide such additional information at its sole discretion. In order to respond to the RFP, if required, and with the prior permission of the Company, each Bidder may conduct their own study and analysis/assessment and seek its own professional, technical, financial and legal advice, as may be necessary.

##### **16.2. No legal relationship:**

No binding legal relationship will exist between any of the Bidders and the Company until execution of a contractual agreement with the successful Bidder.

##### **16.3. Evaluation of Offer:**

Each Bidder acknowledges and accepts that the Company may, in its absolute discretion, apply any additional criteria it deems appropriate in the selection of the Legal Consultant, not limited to those selection criteria set out in this RFP and the Bidders shall be bound with the same.

#### **16.4. Disqualification:**

Any form of canvassing/lobbying/exercise of influence/ cartelization etc. by the Bidder will result in disqualification of such Bidder. The Committee shall reserve the right to reject the bid, in its sole and absolute discretion, if it is of the opinion that the financial bid is predatory priced. In case it is found at any point of time, even before the appointment of the selected Bidder as Legal Consultant or even after the appointment as Legal Consultant, that one or more of the terms and conditions laid down in this Request for Proposal has not been met by the Bidder, or the Bidder has made any material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith or if the selected Bidder is already appointed as the Legal Consultant, his appointment shall, notwithstanding anything to the contrary contained in this RFP and/or any other agreement between the Company and the selected Bidder/ Legal Consultant, be liable to be terminated, by a communication in writing by the Company to the Selected Bidder/ Legal Consultant without the Company being liable in any manner whatsoever to the Selected Bidder/ Legal Consultant. This action will be without prejudice to any other right or remedy that may be available to the Company under the bidding documents, or otherwise under law or equity. Immediately on termination of the appointment, the selected Bidder/ Legal Consultant will deliver to the Company all documents or other materials furnished by the Company to the Selected Bidder/ Legal Consultant together with all copies thereof, including computer disks/ drives or any other electronic media in its possession. If any information could not be physically returned to the Company, all such documents or other materials together with all copies thereof in the possession of the Selected Bidder/ Legal Consultant, will be destroyed with any such destruction confirmed by the Selected Bidder/ Legal Consultant in writing to the Company.

#### **16.5. Confidentiality:**

The information contained in this document is confidential. The Bidder shall not share this information with any other party not connected with responding to this RFP. The information contained in this RFP or subsequently provided to Bidder(s) whether verbally or in writing by or on behalf of the Company shall be subject to the terms and conditions set out in this RFP and any other agreement/ contract to be executed by the Company.

#### **16.6. No representation or warranty by the Company:**

The Company makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations on any claim the potential Bidder may make in case of failure to understand the terms and requirements of this RFP and responds to the RFP. The Company may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP

and specify additional requirements or cancel this RFP at any time without assigning any reason thereof and without any notice, at its sole discretion.

While due care has been taken in the preparation of this document, the Company will not be held responsible for any inaccuracy in the information provided herein. The Bidder must apply its own care and conduct its own investigation and analysis regarding any information contained in the RFP document and the meaning and impact of all such information contained in the RFP.

It is the Bidder's responsibility to examine this RFP; examine all other information available on reasonable inquiry relevant to the risks, contingencies and circumstances affecting its response to the RFP; and satisfy itself as to the completeness, correctness and sufficiency of all the information contained in its response to the RFP.

#### **16.7. Company's Discretion:**

The Company shall be under no obligation to act upon the advice rendered by the Legal Consultants for the appointment of other Legal Consultants and other intermediaries. The appointment made by the Company shall be final and binding on all the Bidders.

In case, if there is substantial change in the composition of the team of the appointed/selected Legal Consultant which can significantly affect its execution, the Company reserves its right to terminate the agreement without any cost to Company and the decision of the Company will be final and binding on all parties concerned.

The RFP document is intended solely for the information of the party to whom it is issued and other person or organization.

The information contained in this document is confidential. The Bidder shall not share this information with any other party not connected with responding to this RFP. The information contained in this RFP or subsequently provided to Bidder(s) whether verbally or in writing by or on behalf of the Company shall be subject to the terms and conditions set out in this RFP and any other agreement/ contract to be executed by the Company.

#### **16.8. Integrity Pact:**

All the bidders should provide their consent, in case of their appointment to enter into integrity pact with the Company. The successful bidder has to enter into integrity pact with the Company as in **Annexure IX**. Signing of the integrity pact by the successful bidder is mandatory as per CVC guidelines.

## 17. BID FORM

All the bidders need to sign & upload the Bid form in the technical bid section. The format of the bid form is placed at **Annexure X. Bid form should not contain any price indication.**

\*\*\*\*

**ANNEXURE I**CASE NO. 504/2004  
ITI Ltd.**BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION****CASE NO. 504/2004 M/S. ITI LTD.****BENCH-I****ORDER**

1. M/s. ITI Ltd. (hereinafter referred to as the 'Company') filed a reference based on its Audited Balance Sheet (ABS) as on 31.3.2004, which was considered in a hearing held on 3.10.2005, wherein it was declared sick u/s 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as the 'SICA') and State Bank of India (SBI) was appointed as the Operating Agency u/s 17(3) of SICA to formulate a rehabilitation proposal for the company.

2. Based on the directions given by the Board in the hearing held on 15.2.2012, the OA vide its communication dated May 31, 2012 had submitted a rehabilitation scheme based on the revival plan approved by Govt. of India vide letter dated 30.1.2012.

3. Based on revival scheme submitted by OA and on further information submitted by the OA vide letter dated 20.6.2012, the Board had formulated a Draft Rehabilitation Scheme (DRS) for the revival of the company, which is circulated to all concerned for consent as required u/s 19(2) read with section 19(1) of SICA. The Board will hear objections/ suggestions with regard to the DRS at the hearing to be held on 29.06.2012.

4. Further hearing in the case on MA 257/2012 by Central Excise Bangalore took place on 27.07.2012 followed by regular hearing on 10.10.2012 and final hearing on 27.11.2012 in which the Bench approved the DRS for circulation which certain amendments.

The amendments are since carried out and the Sanctioned Scheme is signed for implementation of all concerned.

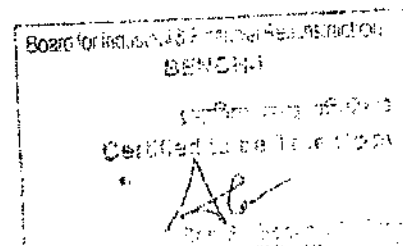
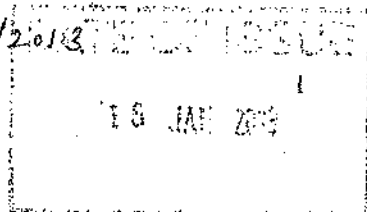
  
(B.S. MEENA)  
MEMBER

  
(Y.K. GAIHA)  
MEMBER

  
(NIRMAL SINGH)  
CHAIRMAN

Encl: Sanctioned Scheme

Dated: 08/01/2013



**BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION**

**CASE NO.504/2004 – M/s ITI LTD.**

**BENCH-I**

**SANCTIONED SCHEME**

**1. INTRODUCTION & BACKGROUND**

1.1 ITI Ltd. (ITI), incorporated in 1950, is the first Public Sector Undertaking (PSU) established by Government of India (GOI) for manufacture of electronics & electro-mechanical telecommunication/transmission/switching equipments.

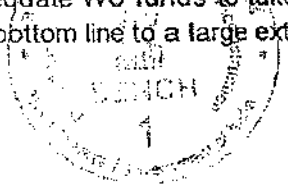
1.2 ITI was setup with the objective of meeting the telecommunication needs of the country, with Department of Telecommunication (DOT) as the network provider and Telecommunication Research Centre (TRC) focusing on R&D related activities, ITI's major focus has been on building equipment manufacturing capabilities.

1.3 Till 1993-94, ITI was the sole supplier of equipment to DOT on a cost plus basis. After liberalized economic environment, ITI had to operate in a highly competitive market and compete with global MNC players.

1.4 With rapidly changing technology in the telecommunication sector and rapid growth of wireless communication networks as against wire line communication network and no indigenous wireless technology available in the country, ITI faced severe crash in prices of telecommunication equipment and severe competition from global equipment manufacturers.

1.5 Further, absence of strong in-house R&D base or Access to contemporary technology Software development affected ITI's performance. The large available manufacturing facility (Electro-Mechanical Oriented) and human resource, lost relevance in the changed market environment of wireless communication dominance. Moreover, large overheads, average age of staff being high, skill gap and also large social infrastructure to be maintained around its plants increased the cost of operations.

1.6 Major customers of ITI are BSNL and MTNL (both are PSU telecommunication service providers). Lack of product technology coupled with poor financial strength has made it difficult for ITI to make forays into the other customer segments. Inadequate WC funds to take up the new orders affected the growth of top line and also bottom line to a large extent.



1.7 Government of India, the majority shareholder has been providing financial assistances to ITI. The Company got a financial assistance of Rs.2820 crores (comprising of Grant -in-aid of Rs.2509 crores being Balance Sheet item and Rs. 311 crores being P&L Account item, consisting of Rs.199 crores towards statutory dues and Rs.112 crores towards interest payable to secured creditors) during 2009-10 vide letter no 20-32/2008-Fac-I dated 19.8.2009 from Director (PSU- II), DoT (enclosed as Annexure I). ITI has received Rs.180 crores in March, 2011 as Working Margin as recommended by the Ministry of Communications & IT, Govt of India, vide their letter no 20-32/2008-Fac-I dated 16.3.2009 (enclosed as Annexure -II). Though Gol has earlier extended financial assistance in the form of grant in aid and loan etc., the losses continued. The accumulated losses as on 31.03.2011 were Rs. 3975.20 crores which has increased to Rs. 4360.47 crores (provisional) as on 31.03.2012. Gol has further approved a financial assistance of Rs. 4156.79 crores towards revival plan vide letter No. 20-33/2009 -FAC -II dated 30.1.2012 (enclosed as Annexure III).

## 2. REFERENCE IN BIFR

2.1 Consequent upon the entire erosion of net worth of ITI as on 31.03.2004, a reference was made to BIFR by the company, under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 [SICA] on 24.09.2004.

2.2 In the hearing held on 3.10.2005, BIFR declared the company as a sick industrial unit in terms of Section 3(1)(o) of SICA and appointed State Bank of India (SBI) as the Operating Agency (OA) under Section 17(3) of SICA to prepare a scheme for the company, with Cut Off Date (COD) as 31.12.2005, based on ITI's proposal and keeping in view the provisions of Section 18 of the Act and guidelines given by the Bench. However, at the hearing held on 07.02.2006, the Board allowed the company to submit its rehabilitation proposal under section 17(2) of the Act.

2.3 On 29.07.2006, ITI had submitted a proposal to dispose off the surplus land at KR Puram and Electronic City at Bangalore through auction. BIFR approved the same under section 22A of Act on 29.08.2006 and directed that sale/auction should be done in a transparent manner as per BIFR guidelines and ITI to submit a fully tied up rehabilitation proposal within 2 months. As the investors in ITI Bonds who held first charge on the assets of ITI did not issue NOC for sale of surplus land, the sale did not take place.

2.4 In the hearing held on 18.03.2008, BIFR observed that as the concessions from various authorities and Gol and State Govt are envisaged, it will be proper to have a scheme submitted under section 17(3) and not under section 17(2) of SICA. BIFR appointed SBI as OA for preparation of DRS and directed SBI to get TEV Study conducted immediately, beside various other directions. At the hearing held on 21.7.2008 and 27.11.2008, BIFR directed that the company may take up the matter

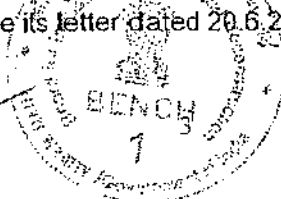
with Govt. of India in respect of financial concessions to be granted besides various other directions.

2.5 The Board had directed the OA (SBI) to conduct detailed TEV Study by calling competitive bids from competent agencies. TEV Study work was entrusted by OA to L1 bidder i.e. M/s. Deloitte Touche Tohmatsu India Private Ltd., which submitted the final report on 26.10.2009. Based on the TEVS report, ITI prepared DRS and submitted to the Operating Agency on 4.11.2009. In the hearing held on 30.12.2009, BIFR directed that the reliefs and concessions may be included in the DRS as per the policy of the concerned Dept./organizations, Secretary, D&T to convene a joint meeting of Central Govt. and State Govt. Depts for expediting the decision in the interest of revival of the company, request made by the Employee's Unions and Officers' Associations in respect of wage revision, enhancement of retirement age, merger of DA with Basic pay and arrears of 1997 wage revision be taken with the Govt of India and appropriately dealt with in DRS, Secretary, DoT may convene a meeting to expedite payment of dues to ITI from BSNL and MTNL, OA to circulate updated DRS to all concerned and convene a joint meeting besides various other directions. In the hearing held on 22.4.2010, BIFR reiterated its various earlier directions.

2.6 OA prepared the DRS and discussed the same with the members of the Consortium at the meeting held on 27.10.2010. OA submitted DRS to BIFR on 7.12.2010. BIFR vide letter dtd. 17.2.2011 directed that DRS submitted by OA was not as per the guidelines formulated by the Board for preparation of DRS and advised OA to resubmit the DRS as per these guidelines.

2.7 OA submitted the revised DRS on 19.3.2011. BIFR in its hearing on 22.3.2011 and 7.4.2011 directed that GOI to finalise the revival scheme of the company within three months. GOI has conveyed approval of financial assistance of Rs. 4156.79 Crs to ITI towards its revival plan vide letter dated 30.1.2012.

2.8 In the hearing held on 15.2.2012, BIFR directed OA to revise the DRS taking into account the revival plan approved by Govt. of India vide letter dated 30.1.2012 and submit the revised DRS by 29.2.2012. Accordingly, OA submitted the revised DRS to BIFR on 29.2.2012 after obtaining concurrence of consortium banks. A copy of the minutes of the meeting of Consortium Banks held on 29.2.2012 is enclosed as Annexure XIV. BIFR vide letter dtd. 14.5.2012 directed that DRS be resubmitted after incorporating the revised financial statements based on provisional figures for the 9/12 month period ended March, 2012 instead of submitting the projected profit figures for FY2011-12. SBI(OA) vide its letter dated 31.5.2012 has submitted the revised DRS with provisional figures of 2011-12. SBI(OA) has submitted further clarifications on the DRS vide its letter dated 20.6.2012.



### 3. SHARE CAPITAL AND SHAREHOLDERS

3.1 ITI Ltd, incorporated in 1950, is the first Public Sector Undertaking established by the Govt. While Governments hold 92.98% of the shares of ITI, institutions hold 0.42% and the balance 6.60% is held by non-institutions and individuals.

Details of Equity and Preference share capital are indicated below:

#### I. Equity share capital:

Name	No. of Shares of Rs.10/- each	Amount in Rs.	Percentage
President of India (GOI)	267468190	2674681900	92.87
Governor of Karnataka (GOK)	312500	3125000	0.11
General Public (Disinvested portion)	20219310	202193100	7.02
<b>TOTAL</b>	<b>288000000</b>	<b>2880000000</b>	<b>100.00</b>

#### II Preference Share capital:

Name	No. of shares of Rs.100 each	Amt in Rs.	Remarks
MTNL	1,00,00,000	100,00,00,000	
BSNL	2,00,00,000	200,00,00,000	
<b>TOTAL</b>		<b>300,00,00,000</b>	

The shares of ITI are listed both in NSE and BSE. As on 30.04.2012, Market cap was Rs.645.12 crores, 52 week high/low were Rs.35.95/Rs.16.15 respectively and market price of the ITI share was Rs.22.40.

### 4.0 PROMOTERS

4.1 ITI is a Central Public Sector Undertaking.

4.2 ITI is being managed by a Board of Directors. Sri K.L.Dhingra is the Chairman and Managing Director. He is supported by Directors for each segment like Production, Marketing, and Finance. In addition, there are 2 nominated Directors from the Govt. of India and 3 independent Directors and there are no special directors.

#### 4.3 Board of Directors

Name	Designation
Sri K.L.Dhingra	Chairman & Managing Director
Sri Ravi Khandelwal	Director (Finance)
Sri R.K.Agarwal	Director (Marketing)
Sri K.K.Gupta	Director (Production)
Sri.N.K. Joshi	Dy.Director General (SU)
Lt. Gen. S.P. Kochhar	AVSM, SM, VSM
Prof. M. Balakrishnan	Independent Director
Shri T.S. Narayanasami	Independent Director
Dr. S.K. Chaudhuri	Independent Director

#### 5. PAST PERFORMANCE

The salient features of the company in past 4 accounting years are as under:-

(Rs. in

crores)

As on 31 <sup>st</sup> March	Audited 2009	Audited 2010	Audited 2011	Provisional 2012
Net sales	1700.80	4596.12	2099.06	916.10
Net profit	-668.18	-458.76	-357.75	-385.27
Cash Accruals	-641.46	-434.45	-335.48	-363.64
Accumulated Loss	3218.70	3622.45	3975.20	4360.47
Accumulated Cash Loss	2179.10	2533.10	2838.97	3184.60
Equity Paid up Capital	288.00	288.00	288.00	288.00
Grant-in-aid	80.54	74.81	69.29	64.60
Reserves other than revaluation reserve	73.38	2526.55	2700.61	2699.67
TNW (excl'd. Pref. shares of Rs. 300 Crs.)	-2776.78	-733.09	-917.30	-1308.20
Secured Creditors	1349.94	258.52	343.32	495.17
Unsecured Loans	793.98	19.69	0.00	0.00

##### a) Comments on Working

- ITI's financials are related to the orders that it receives from BSNL and MTNL.
- Due to change in the technology, preference in the market coupled with inadequate in-house infrastructure for catering to wireless technology, ITI has not been able to completely meet the reserved quota given to it by BSNL/MTNL.
- In order to meet the requirements of the reserved quota, ITI has had to resort to trading. The trading business though helped in meeting the reserved quota requirements, it does not benefit ITI in terms of margins. The overall margins accruing to ITI by trading are very low.
- The losses of ITI have decreased from a high of Rs.668.18 crores in 2008-09 to Rs.385.27 crores for the year ending 31.03.2012 (Provisional) on account of Govt support and various measures by the Company. Govt has approved further

financial assistance to the tune of Rs. 4156.79 crores to enable ITI to tide over the financial crisis being faced and sustain on its own by improving turnover and bottomline through upgradation of infrastructure, diversification etc.

- Details of P & L for the last five years are enclosed as Annexure-IV.

## 6. EXPOSURE OF SECURED LENDERS

### 6.1 Dues to Consortium Banks : As on Cut Off Date i.e.31.03.2009

(Rs. in crores)

Banking Arrangement:	Exposure Existing & proposed [WC Limits]	Outstanding as on 31.03.09
State Bank Group	520.00	536.90
State Bank of India	315.00	317.15
State Bank of Mysore	53.00	80.19
State Bank of Hyderabad	45.00	69.73
State Bank of Patiala	45.00	7.00
State Bank of Bikaner and Jaipur	30.00	29.55
State Bank of Travancore	32.00	33.28
Other Banks	325.00	357.09
Bank of Baroda	76.00	75.48
Canara Bank	50.00	52.44
Central Bank of India	44.00	66.93
Punjab National Bank	46.00	49.00
Vijaya Bank	45.00	48.00
Development Credit Bank Ltd	24.00	25.29
IndusInd Bank Ltd	20.00	16.25
Indian Bank	10.00	9.57
U T I Bank Ltd	10.00	14.13
<b>TOTAL</b>	<b>845.00</b>	<b>893.99</b>

### 6.2 Outstanding Statutory Dues:

An amount of Rs.360 crores was estimated towards outstanding statutory dues up to March 2012.

(Rs. in crores)

Sl.No.	Particulars	Amount
1	Provident Fund	88.00
2	Gratuity	266.00
3	Taxes and Duties etc.	6.00
	<b>Total</b>	<b>360.00</b>

ITI has sought this amount as financial assistance from the Government of India and accordingly included in the DRS. As per the provisional unaudited accounts of the Company as on 31.03.2012, the amount stands at Rs. 326 Crores, which is expected to be increased till the revival package amount is released to ITI. However, the

financial assistance to the tune of Rs. 4156.79 crores to enable ITI to tide over the financial crisis being faced and sustain on its own by improving turnover and bottomline through upgradation of infrastructure, diversification etc.

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State Bank of Hyderabad	45.00	69.73
State Bank of Patiala	45.00	7.00
State Bank of Bikaner and Jaipur	30.00	29.55
State Bank of Travancore	32.00	33.28
Other Banks	325.00	357.09
Bank of Baroda	76.00	75.48
Canara Bank	50.00	52.44
Central Bank of India	44.00	66.93
Punjab National Bank	46.00	49.00
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Company is to utilize the above amount only towards settlement of outstanding statutory dues as specified above.

### 6.3 Dues of workers

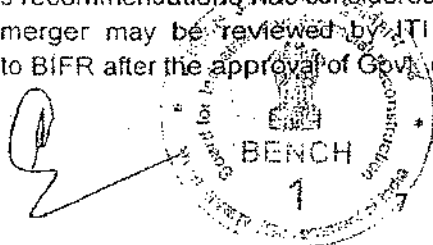
BIFR vide its order dated 30.12.2009 had directed that the request made by the employees unions and officers Association in respect of wage revision, enhancement of retirement age, merger of DA with basic pay and payment of arrears of 1997 wage revision may be taken up with the GOI and appropriately dealt with in the DRS.

Wage revision was implemented in ITI w.e.f 1<sup>st</sup> April 2000 though the revised scales were payable from 1<sup>st</sup> January 1997. The Wage revision arrears due to the employees for the period 01.01.1997 to 31.03.2000 were not paid by the company due to financial constraints. The total arrears of wage revision for this period amounts to Rs. 165.00 crores, which is included in the revival plan approved by Govt. of India.

OA/company has advised that in this connection, a meeting of the representatives of Employees unions & associations and Management representatives of ITI was conducted on the 27.2.2012 and there was near unanimity among the Unions & Associations' leaders that the present package offered by the Govt. of India, is a very good step towards bringing back the company on the path of recovery and it should be supported. However at the same time, the interest of the present employees also need to be protected as the salary was last revised 15 years ago w.e.f from 1997 and the employees & their families are not only feeling discriminated against their peers in other PSUs but also are facing severe hardship on account of spiraling prices. Further, as the company is contemplating recruitment of additional Man power to meet the challenges, it is necessary that the salary package has to be attractive enough to attract quality talent. Therefore there is a need to revise the salary of the employees' w.e.f 1.1.2007. Another major demand of the unions & associations was increasing the retirement age to 60 years from 58 years.

The present package approved by Govt. of India has not considered any increase in retirement age.

The present package approved by GOI has not considered pay revision w.e.f 1.1.2007, or 50% DA merger and it is not incorporated in the revised DRS. An amount of Rs. 165 Crores representing 39 months wage revision arrears of 1997 revision which is approved by GOI has been considered in the proposed DRS. The Core Group in its recommendations has considered that the issue of 2007 pay revision and 50% DA merger may be reviewed by ITI management on 1.4.2013 again and submitted to BIFR after the approval of Govt. of India.



## 6.2 Details of Unsecured Creditors

(Rs.

Particulars	31st March 2012	31st March 2011	31 <sup>st</sup> March 2010
Interest Accrued and due	0.00	0.00	19.69
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>19.69</b>

The outstanding Unsecured Creditors as on 31.03.2012 and 31.03.2011 are NIL as against Rs.19.69 crores as on 31.03.2010. OA/company vide its letter dated 20.6.2012 has confirmed that no reliefs have been sought from unsecured creditors.

## 7. REASONS FOR SICKNESS

7.1 ITI was setup with the objective of meeting the telecommunication needs of the country, with Department of Telecommunication (DOT) as the network provider and Telecommunication Research Centre (TRC) focusing on R&D related activities and ITI as a manufacturer of Telecommunication equipment. Brief reasons for the sickness of ITI are:

- Till 1993-94, ITI was the sole supplier of equipment to DOT on a cost plus basis. After liberalized economic environment, ITI had to operate in a highly competitive market and compete with global MNC players.
- With rapidly changing technology in the telecommunication sector and rapid growth of wireless communication networks as against wireline communication network, ITI had confronted with the following situation:
  - a) Face severe crash in prices of telecommunication equipment
  - b) Severe competition from global equipment manufacturers
- Absence of strong in-house R&D base and withdrawal of reimbursement of R&D expenditure.
- Reduced relevance of the large available manufacturing facility (Electro-Mechanical Oriented vis-à-vis that required for state-of-the-art electronic equipment and the large human resource required only for the older technologies, which became redundant in the changed market environment of wireless communication).
- Large overheads and also large social infrastructure to be maintained around its plants increased the cost of operation.
- High average age of staff and the absence of the skill set required to work in the new telecom scenario caused most of the manpower redundant.
- Lack of indigenous product technology coupled with poor financial strength made it difficult for ITI to make foray into new customer segments other than the existing major customers, viz., BSNL and MTNL. Transfer of

Technology was not getting through as technology providers were able to sell equipment directly after liberalization.

- Shrink in the BSNL and MTNL procurements, resulting into reduced purchase orders from these two PSUs on ITI.
- Large amount of overdue receivables. Receivables beyond 6 months as on 31.03.2011 were Rs.3946.60 crores, which affected availability of WC funds. Lack of additional WC funds to take up the new orders affected the growth of top line and also bottom line to a large extent.
- No major breakthrough in diversification plans of ITI.
- Brain drain on large scale due to curtailments of many benefits and better opportunity in other sectors.
- Increase in loss. Though Govt has extended financial assistance in the form of grant in aid and loan etc. the loss continues. The accumulated loss as on 31.03.2011 was Rs.3975.20 Crores which has increased to Rs. 4360.47 Crores (provisional) as on 31.03.2012.

## 8 INDUSTRIAL SCENARIO

### 8.1 Industry Overview:

- Overall there is a decline in the revenue of telecom service providers due to many reasons; but, the subscriber base is increasing every month.
- The subscriber base has grown to 906.93 Million connections (wireline and wireless) by the end of September 2011. The year-on-year growth is 27.03%.
- The tele-density in terms of telephone connections (wireline and wireless) has reached 75.48 as of end September 2011.
- Number of broadband subscribers touched 12.83 Million by September 2011 showing an annual growth of 24.54%.

### 8.2 Industry Outlook:

- There is growth expected in data transmission after BWA auction. This market is yet to pick up in India. New Telecom Policy is expected to be declared this year which will give a boost to the indigenous manufacturing.
- Overall, net sales in the industry grew just by 1.1% in March 2010 quarter, as compared to 13.9% in March 2009 quarter due to continuous fall in ARPUs.
- Selling and marketing expenses grew by 25% in March 2010 quarter over the same period last year resulting in fall in PBDIT and PAT by over 15%. Currently the growth in 3G services is less than the expected.
- With the 3G services, additional funds are required. This has increased the debt component and reduces the PAT margins.

- The service providers are expected to get into tie-ups with mobile manufacturing companies to offer 3G enabled mobile phones.
- In view of the above, operators and equipment manufacturers would face stress on operating margins in the short – medium term. But, in the long run, when the high technologies services would penetrate the Indian market and debt burden of the companies reduce, their profit margins are expected to revive.

### 8.3 ITI in particular:

- ITI is in existence since 1948 and are banking with us since 1951.
- Growth in business has not been satisfactory for the past two years. With the lower turnover, the bottom line, has affected due to high cost of operation. This has resulted in negative TNW.
- Sales have been affected due to low working capital funds. The overdue receivables have been mounted. Majority of the inventory have become obsolete, and these inventory were not usable for the orders, ITI presently getting.
- Government of India, the majority shareholder has been providing financial assistances to ITI. The Company got a financial assistance of Rs.2820 crores during 2009-10 and has received additional financial assistance of Rs. 180 crores in 2010-11. Apart from this, the company has also requested Govt to give an assistance of Rs. 4156.79 crores to complete the reconstruction.
- With the financial support from Govt and improved order book position, mainly from BSNL, MTNL etc. the eligible concessions from various agencies under BIFR, ITI is expected to turn around.
- There is silver line as per the recommendations of Committee on synergy among PSUs of DoT to optimize the infrastructure and domain knowledge of BSNL, MTNL, ITI, C-DOT, TCIL. This will improve manufacturing activity in ITI.

### 8.4 Marketing:

- Main products of ITI are GSM projects, MLLN, CDMA-WLL, DWDM, SSTP, Optical Fibre Equipment, Network Solution Business etc.
- Major customers of ITI are BSNL, MTNL and Ministry of Defence / Ministry of Home Affairs etc.

- ITI is having an R&D department which has contributed significantly in the development of many telecom products, including those for Defence sector. With the financial restructuring and the short term plans as explained earlier in this proposal, ITI is expecting turn around by 2012-13. Apart from the short-term strategies, the long-term plans include build strategic tie-ups with other players to offer integrated range of services to customers. Form Joint Ventures / SPV for manufacturing various specialized products.
- Various projects have been identified as part of diversification plan, some of which are listed below:
  - a) Execution of National ID project under the National Population Register programme of Ministry of Home Affairs and Socio Economic Caste Census programme under the Ministry of Rural Development – which are already in progress.
  - b) Taking up of manufacturing of equipment for Defence. Ministry of Telecommunications and IT is in dialogue with the Ministry of Defence to consider ITI in the preferred PSU list at par with BEL (Bharat Electronics Ltd). ITI has the experience and potential of providing various equipment used in Defence Sector. ITI also has the experience and capability of implementing various network related projects of Defence.
  - c) Manufacturing of Tablet PCs required by the Ministry of HRD for distributing to the student community in the country under the National Mission on Education through Information and Communication Technology (NMETIC) programme.
  - d) Manufacturing of equipment for the Broadband mission of the Government covering projects like National Optical Fiber Network (NOFN), Broadband for Panchayat, Network for Spectrum (NFS) etc. ITI has entered into ToT with C-DOT.
- Diversifying customer base and exploring new avenues for sales of Telecom equipment / services / solutions to organizations like Railways (Rail Tel) Metro Railway, Airports along with enterprises solutions for various organizations in private and public sector.
- Recruitment of new talent will improve technical skill and hence project execution.

#### 8.5 Manufacturing Facilities & Infrastructure: Modernisation & Expansion

- Capex is Rs.2264 crores. As majority of the plant and machinery of ITI are outdated, the performance is below expected level and to revive, it has planned capex for another 3 years period. This will enable ITI to move more towards manufacturing activities Vis-a-Vis trading activities. With given

2

1

BENCH II

capital expenditure ITI plans to invest partly i.e. Rs.104 crores towards strategic projects and Enterprises Network Solutions.

- After implementation of financial restructuring package, ITI plans to undergo a major change in terms of increasing the share of manufactured goods thrust on services, reducing the share of traded products (reduction from 65% as on 2008-09 to 22% as on 2010-11). Also it will establish itself as a major Enterprise Solution Provider.
- With the financial restructuring and the short term plans as explained earlier in this proposal, ITI is expecting turn around by 2012-13. Apart from the short-term strategies, the long-term plans include build strategic tie-ups with other players to offer integrated range of services to customers. Form Joint Ventures / SPV for manufacturing various specialized products as stated above.

#### 9. THE REHABILITATION SCHEME

9.1 Govt, Ministry of Communication & IT has approved a revival plan of ITI envisaging financial assistance of Rs. 4156.79 crores vide letter No. 20-33/2009 - FAC -II dated 30.1.2012 based on report of the Core Group constituted in the Ministry (Core group report dated 23.12.2011 enclosed with the aforesaid letter of Ministry). The Ministry of Communication letter dated 30.1.2012 and Core group report dated 23.12.2011 is attached as Annexure III. The details of the revival plan as per the Core Group report are as under :

- (a) Total cost of Scheme is Rs. 4156.79 crores, out of which an amount of Rs.2264 crores is to be utilized for the ongoing and expected projects (Rs.460 crores to be disbursed immediately and balance Rs.1804 crores to be disbursed in due course after submission of report of Monitoring Group) and Rs.1892.79 crores to be utilized for meeting the pending liabilities and revival plan cost (Rs.995.79 crores to be disbursed immediately and balance Rs.897 crores to be disbursed in due course after submission of report of Monitoring Group), details of the same are as per Core Group report attached as Annexure III.
- (b) OA/company has considered the above expenditure in FY2012-13, 2013-14 and 2014-15, detailed break up being as under:

(Rs in Crores)

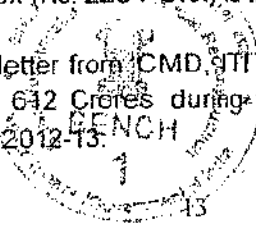
Sl.No	Particulars	2012-13	2013-14	2014-15
1	Payment of Outstanding dues towards			
	a. Redemption of Pref. Shares			
	i) MTNL 100			
	ii) BSNL 200	300		
	b. Waiver of Guarantee fees payable to Ministry on Bond issued by ITI guaranteed by Govt.	45.79		
	c. Waiver of Govt. Loan	125		
2	Payment of Statutory Dues upto 31.03.2012			
	i) Provident Fund 88			
	ii) Gratuity 266			
	iii) Excise Duty 6			
		360		
3	Provision for Contingent Liability			
4	Capital Expenditure **	1039	1225	
5	Employee Payments:			
	a. Wage Revision Arrears (01.01.1997 to 31.03.2000)	165		
	b. VRS	50	50	55
	c. Salary (four months) of Rs. 130 Crs. and Establishment cost of Rs. 612 Crs. during implementation of Revival Plan ***	742		
	TOTAL	2826.79	1275	55
	GRAND TOTAL		4156.79	

This does not include the existing credit limits sanctioned by Bank, which will continue at the pre frozen level.

\* Contingent Liabilities of Rs.77.68 Crores is under subjudice (Details are given in Annexure XI). No provision of the same has been made in the package approved by GOI. ITI to arrange for funds of its own internal accruals or alternatively by the GOI, as and when any such liability gets crystallized.

\*\* Year-wise details of Capex (Rs. 2264 Crs.) is indicated in Annexure XII.

\*\*\* Based on the request letter from CMD, ITI to Ministry for immediate release of Establishment cost of Rs. 612 Crores during the implementation of Revival plan, same has been included in 2012-13.



**(b) Means of Finance**

SBI(OA) vide its letter/affidavit dated 25.4.2012 has advised that GOI has proposed only grant in aid. However, OA has suggested instead to bring the money as equity, to be brought at par, with Promoters Contribution towards Financial Assistance of Rs. 4156.79 crores may be made in the following manner:

Rs. In Crs.					
S.No	Particulars	2012-13	2013-14	2014-15	Total
1	Equity for ongoing and Expected projects	1039	1225		2264
2	Grant-in-aid for pending liabilities and revival plan cost	1787.79	50	55	1892.79
3	Total	2826.79	1275	55	4156.79

**Comments:**

A. Equity Infusion: Infusion of Equity towards capital expenditure for ongoing and expected projects would help ITI in the following ways:

- Keeping in view the gestation period involved in implementation of capital projects, funding capital expenditure towards ongoing and expected projects in the form of Equity would be ideal.
- Other Telecom PSUs, Telecom MNCs and Manufacturing PSUs are having quite strong Debt-Equity ratio in comparison of ITI. Infusion of funds in the form of Equity will improve Debt-Equity Ratio and strengthen financial leverage of ITI.
- ITI is unable to participate in some large tenders due to not meeting the condition of positive net worth / solvency certificate. Considering the negative net worth, Banks do not issue such solvency certificates resulting in disqualification to participate in such tenders and thereby losing chance to secure orders. Release of financial assistance in the form of Equity would improve the financial parameters of the company particularly Net Worth / solvency and facilitates banks to issue solvency certificate.
- Equity model will improve the comfort and confidence of ITI's Bankers, Customers and Vendors.
- Being stakeholder, Govt. will earn better dividends in future.

B. Grants: Release of Grants towards pending liabilities and revival plan cost would help ITI in:

- i) Sustaining the operations during the period of implementation of the revival plan
- ii) Avoiding strain on the working capital
- iii) Reducing the interest burden
- iv) Facilitating early revival of ITI.

## 9.2 RELIEFS AND CONCESSIONS

ITI has sought relief from various agencies like Banks, BSNL, Ministry of Defence, ESI, Central Excise Department, Central Excise Department, Central Board of Taxes, Provident Fund Authorities, and Superintendent of Stamps etc. Brief details are furnished below :

(Rs. in Crores)

SL.No.	Particulars	Amount
I	<b>CENTRAL GOVERNMENT : To consider</b>	
	a. MINISTRY OF DEFENCE- Waiver of Liquidated Damages: ASCON Ph III Project : 37.22	37.22
	b. MINISTRY OF FINANCE (CBDT): To consider waiver as per policy i) TDS - Refund : 2.25 ii) FBT - Refund : 3.34	5.59
	c. Commissioner of Service Tax, Chennai To consider waiver as per policy Service Tax + Penalty : 1.66 and related interest to be levied	1.66
	d. ESI Bangalore Plant To consider waiver of damages as per policy i) Waiver of Interest -Rs. 47.30 Lakhs ii) Waiver of Penalty -Rs 93.75 Lakhs	1.41
	<b>Sub Total (I=a+b+c+d)</b>	<b>45.88</b>
II	<b>STATE GOVERNMENT : To consider</b>	
	a. INSPECTOR GENERAL OF STAMPS & REGISTRATION, BHOPAL, MP : i) Refund of BG invoked - 2.05 ii) Waiver of Penalty - 4.00	6.05

	<b>b. SALES TAX,</b> <b>State of Karnataka : To consider</b> <b>BG PLANT</b> i) Interest - 310.86 Lakhs - For the year 2005-06 ii) Penalty - 120.91 Lakhs - For the year 2005-06 iii) Waiver of interest and penalty for other years also after assessment iv) Outstanding arrears for J&K : To consider for 1999-2000 - 0.68 for 2000-2001 - 1.07 for 2001-2002 - 1.83	4.31       3.58
	<b>Sub Total (II=a+b)</b>	<b>13.94</b>
<b>III</b>	<b>OTHERS : a. BSNL : To consider</b> i) Waiver of Liquidated Damages : BG Plant : 1.02 Naini : 2.13 RBL : 2.55 GSM : 441.30 NSU : 7.21 PLKD : 6.37 ii) Interest On Advance - 9MLN GSM b. Refund of interest charged in excess of PLR of SBI by Consortium of Bankers -	460.58 195.00   104.51*
	<b>Sub Total (III=a+b+c)</b>	<b>760.09</b>
	<b>GRANDTOTAL (I+II+III)</b>	<b>819.91</b>
<b>IV</b>	<b>Govt. of India, Ministry of Communication &amp; IT</b> Govt. Ministry of Communication & IT has approved a revival plan of ITI envisaging financial assistance of Rs. 4156.79 crores vide letter No. 20-33/2009 -FAC -II dated 30.1.2012, to be brought in as indicated in Means of Finance	

\* Refer III b of Explanatory Notes.

OA/company has advised vide letter dated 20.6.2012 that the expenditure/claims against which reliefs and concessions have been sought are already accounted as expenditure or liability in previous years except for cases 1 b(i), 1 c, 1 d(ii), II a(ii), II b amounting to Rs.16.74 Cr out of total reliefs aggregating Rs.819.91 Cr.

In this regard meeting of the representatives of Agencies was convened by Operating Agency on 23.11.2010 (attached as Annexure XV) to discuss on above reliefs and concessions. Only two of the agencies attended this meeting. Reliefs / concessions are still to be considered by the above agencies. Banks are also not agreeable to refund the differential interest charged w.e.f. 31.03.2004 in line with BIFR directives. However, Banks are agreeable for charging interest at SBAR from the cut-off date i.e. 01.04.2009. Agencies and Banks are being persuaded by ITI to provide the concessions indicated above.

Explanatory Notes in respect of I a, I b & III b are indicated below, for information of concerned Ministry / Depts. / Banks:

**I a) Ministry of Defence**

**Request for waiver of Liquidated Damages: Rs.37.22 Crs.(ASCON PH III Project)**

ASCON Phase III project, being a highly diversified, well spread out and extremely complex network, the delays were anticipated by MoD at the time of issuing LOI and provision was made for a realistic time schedule. Originally four years was given for the project. The same could not be worked out due to various complications to be sorted out by ITI & MoD mutually. Final contract was signed after four years. Despite several constraints ITI could complete the work(subject to three pending sub-systems) and project was inaugurated by Hon'ble Defence Minister Shri Pranab Mukherjee in September 2006. The three pending sub-systems have since been delivered.

However, the case of imposition of LD to be processed for decision of MoD on LD (maximum to 10% of the PO Value i.e. Rs. 37.22 Crs). In this regard, it is to be noted that reasons for delay were totally beyond control of ITI and some major reasons are covered under Force Majeure clause. Some reason for the delay is due to clearance not obtained from Army, equipment not finalized and extreme restriction in working condition in insurgency dominated areas where there was a high risk to the life of personnel.

Ministry of Defence may consider for not to levy any LD on ITI for delays in ASCON PH III Project.

**I b) Ministry of Finance (CBDT)**

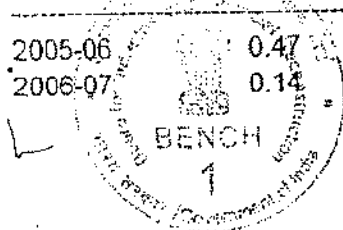
**Request for withdrawal of Demand Notice vide ref. F.No.BLR101834A/08-09/C-18(1) dated 2-3-2009 for Rs.2.25 crores for four assessment years 2005-06 to 2008-09 as issued by Income Tax Department towards Tax and Interest charges for non deduction of TDS.**

Income Tax Department has raised a total demand of Rs.2.25 crores for the assessment years 2005-06 to 2008-09 towards non-deduction of Tax at source on:

- interest recovered by BSNL on advance paid to ITI (out of ITI bills) and
- commission recovered by MSTC (out of realization of scrap sales).

Break up of Rs. 2.25 crores is as under:

Assessment Year	BSNL		MSTC		Total	
	Interest on Advances		Commission			
	Tax	Int. on tax	Tax	Int. on tax	Tax	Int. on tax
2005-06	0.47	0.23	0.10	0.04	0.57	0.27
2006-07	0.14	0.05	0.03	0.01	0.17	0.06
			17			



2007-08	0.35	0.08	0.06	0.01	0.41	0.09
2008-09	0.56	0.07	0.04	0.01	0.60	0.08
	1.52	0.43	0.23	0.07	1.75	0.50
TOTAL:	1.95		0.30		2.25	

The Company argued that BSNL deducted the interest from the amount payable on our bills directly without giving us an opportunity to deduct tax at source. Similarly, MSTC deducted their commission directly from the sale proceeds due to ITI and hence, company could not deduct TDS on the commission.

An appeal vide ITA.No. 144-147/DC-18(1)/CIT/11-12 was filed with CIT (Appeals) who had agreed with our view vide order dated 17.02.2012 that if BSNL & MSTC have paid tax on the interest and commission received respectively, the Company is not liable to pay the tax again. This was based on the certificates given by BSNL & MSTC which were submitted to the CIT (Appeals). The assessing Officer has to give effect to the order subject to verification of the documents to be produced by the company.

However, as regards interest liability the CIT (Appeals) had upheld that interest for delayed payment of tax has to be paid by the Company. This also has been contested by ITI by filing an appeal with the Income Tax Appellate Tribunal.

Hence, since a) BSNL has included the interest income in their returns of income and paid the applicable tax thereon in the respective assessment years, b) MSTC has paid taxes on their income for the assessment years 2005-06 to 2007-08 and was exempted from TDS during the assessment year 2008-09 and c) in view of the order dated 17.02.2012 of CIT (Appeals), Income Tax Department may consider to withdraw Demand Notice for Rs.2.25 crores towards Tax and Interest charges for non deduction of TDS.

**Request for refund of Fringe Benefit Tax (FBT) paid by ITI.**

FBT has been paid for the financial years 2005-06 to 2008-09 (upto first two quarters) amounting to Rs. 2.80 crores and for the last two quarters of 2008-09 the amount payable was Rs 0.54 crores totalling an amount of Rs.3.34 crores. However, since ITI is a sick company and incurring losses in its operations, Income Tax Department may consider to refund FBT so paid by ITI amounting to Rs 2.80 crores and waive the payable amount of Rs 0.54 crores.

iii(b) Deleted

### 9.3 Loans and Credit Facilities:

The consortium of banks led by SBI has proposed sanction of following limits to ITI, with the repayment schedules (where applicable) mentioned against the respective facilities.

The consortium of banks has recommended the continuation of the existing FBWC limit of Rs.845.00 crores and NFBWCL of Rs.880.00 crores.

#### Credit Limits (Existing and Proposed):

As there is going to be no change in Bank finance, the sanctioned limits as existed before, certain Banks have frozen/reduced the limits, will continue. The existing working capital limits is therefore not included in the cost of the scheme. Banks which have either frozen the limits or reduced are required to restore them to the original level. However, at the last hearing held on 15.2.2012, Development Credit Bank had advised that Hon'ble Delhi High Court has granted stay with regard to BIFR direction of de-freezing of limit and was directed to file a copy of Hon'ble Delhi High Court order in the matter. In compliance of the order dated 17.09.12 of Hon'ble High court of Delhi, the Company will not press the DCB (Petitioner) to defreeze the limit.

(Rs. in crores)

LIMITS	EXISTING CONS	PROPOSED CONS	CHANGE CONS
<b>Fund based</b>			
Cash Credit[Hyp of stocks]*	268.00	268.00	-
Cash Credit[Rec]*	577.00	577.00	-
Total FBWC*	845.00	845.00	-
Term Loans	-	-	-
<b>TOTAL FB</b>	<b>845.00</b>	<b>845.00</b>	<b>-</b>
<b>Non-fund based</b>			
Letters of credit +	730.00	730.00*	-
Bank Guarantee+	150.00	150.00	-
Total NFB	880.00	880.00	-
<b>Total FB + NFB</b>	<b>1725.00</b>	<b>1725.00</b>	<b>-</b>

+ with inter-changeability of Rs.14.00 crores both ways.  
With inter- changeability of Non fund based to Fund based in view of company's temporary financial mismatch.

Sharing Pattern: Financial Arrangement: Consortium (Rs. in crores)

Banking Arrangement:	Exposure Existing & proposed [WC Limits]	Existing Share (%)	Proposed Share (%)	Rate of Interest Existing
State Bank Group	520.00	62%	62%	
State Bank of India	315.00	37%	37%	14.75%
State Bank of Mysore	53.00	7%	7%	14.75%
State Bank of Hyderabad	45.00	5%	5%	14.75%
State Bank of Patiala	45.00	5%	5%	14.75%
State Bank of Bikaner and Jaipur	30.00	4%	4%	14.75%
State Bank of Travancore	32.00	4%	4%	14.75%
Other Banks	325.00	38%	38%	14.75%
Bank of Baroda	76.00	9%	9%	14.75%
Canara Bank	50.00	6%	6%	14.75%
Central Bank of India	44.00	5%	5%	14.75%
Punjab National Bank	46.00	5%	5%	14.75%
Vijaya Bank	45.00	5%	5%	14.75%
Development Credit Bank Ltd	24.00	3%	3%	14.75%
IndusInd Bank Ltd	20.00	3%	3%	14.75%
Indian Bank	10.00	1%	1%	14.75%
UTI Bank Ltd	10.00	1%	1%	14.75%

Details of Secured creditors (Consortium Bankers) towards working capital finance as on 31.03.2012 are indicated in Annexure XIII

**Concessions in the interest rate :** Banks have agreed to charge interest at SBAR w.e.f 1.4.2009. The interest @ at SBI PLR is considered w.e.f. 1.4.2009. All Banks are required to implement the same and excess interest recovered if any over and above SBI PLR w.e.f 1.4.2009 will have to be set off against future interest payable by the company subject to right of recompense. The right of recompense would be subject to the prior approval of BIFR.

#### 10.1 Details of Modernization / Expansion

Capital Expenditure envisaged in the DRS is Rs.2264 crores. As majority of the plant and machinery of ITI are outdated, their performance is below expected level and to revive, it has planned capex for another 2 years period. The Core Group recommendations on the proposed expenditure on the various ongoing and expected projects are already enclosed as Annexure III. This will enable ITI to move more towards manufacturing activities vis-a-vis trading activities. OA vide its letter/affidavit

dated 25.4.2012 has advised that although the company has given the details of the projects to be undertaken as a part of revival plan, it would not be possible to work out the detailed economics of this project at this stage, as the GOI is yet to approve the proposal and the details of the projects would be available only after that.

**10.2 i) Performance of group companies and connections, if any, with the Bank:**

India Satcom Ltd (ISL) is a closely held public limited company, where, ITI is holding shares. ISL enjoys credit facilities under Consortium Banking Arrangement with our IFB Bangalore Branch. The performance of ISL is not satisfactory CRA rating is SB 14 (27) as per audited balance sheet as on 31.03.2008. Account is classified as NPA as on 30.09.2009.

M/s. Chris Tech Systems Pvt. Ltd (CTSPL) holds 51% of shares of ISL and ITI holds 49% of shares.

**ii) Brief particulars of Merger / Takeover: Nil**

**11. FINANCIAL VIABILITY**

i) OA has submitted that the estimated / projected financials are based on TEV study report of M/s. Deloitte, Mumbai & ITI's revival plan approved by Department of Telecommunications. The net sales, holding levels of inventory, sundry debtors and sundry creditors have been considered as per the business plan as envisaged in the TEV study report in consultation with ITI.

ii) Projected P&L, Projected Balance Sheet, Assumptions of profitability projections, cash flow statement, DSCR as submitted by OA are enclosed as Annexure-V, Annexure-VI, Annexure VII, Annexure-VIII and Annexure IX. Brief summary of the financial projections are given below.

(Rs Crore)

As on March 31,	2013	2014	2015	2016	2017
	Proj.	Proj.	Proj.	Proj.	Proj.
Net Sales	5365	5480	5953	6076	6121
Direct expenses including Personnel & operating expenses	5105	5189	5575	5691	5746
Operating profit	260	291	378	385	375
Other Income	1366	80	85	30	30
Other expenses	240	75	80	25	-
PBDIT	1386	296	383	390	405
Financial expenses	86	63	61	59	56
Depreciation	46	183	242	240	238
Profit before tax	1254	50	80	91	111
Less: Tax	-	-	-	-	-
Profit after tax	1254	50	80	91	111

Equity Share Capital	1327	2552	2552	2552	2552
Grant in aid	3048	3043	3038	3033	3028
Reserves & Surplus	8	7	6	5	4
Less Accumulated Losses	3104	3054	2974	2883	2772
Net Worth	1279	2548	2622	2707	2812

iii) As per the projected financials, ITI is expected to earn PAT during 2012-13 and TNW will be positive from 2012-13. This is subject to the assumptions made in the viability study report. Main amongst them are: Support from GoI in the form of Grant and Equity, extension of need based working capital limits from Banks, achieving the projected level of sales and profit by its own operation.

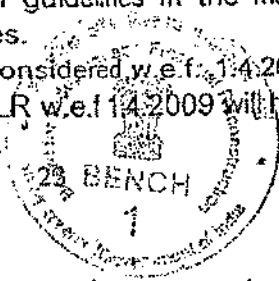
## 12. CONCLUSION

i) The rehabilitation strategy is primarily based on the revival plan approved by Ministry of Communication & IT, GOI envisaging financial assistance aggregating Rs. 4156.79 crores for meeting the pending liabilities and for ongoing and expected projects. The Projected Profitability Statement reveals that it will start earning profits from the 1st year of rehabilitation itself. As per the projected Balance Sheet, the net worth of ITI Ltd. would become positive in FY 2012-13. The projected cash flow statement reveals that the merged entity has surplus positive cash flows. Therefore, it can be considered to be commercially and techno-economically viable.

## 13. GENERAL TERMS AND CONDITIONS

- i) SBI is appointed as the Monitoring Agency (MA).
- ii) The company shall seek all further necessary approvals in respect of revival plan as approved by Ministry of Communication & IT, GOI vide its letter dated 30.1.2012.
- iii) The Company shall constitute a Monitoring Committee consisting of CEO/ED of the company and Special Director of BIFR, if any and MA to oversee and monitor implementation of the Rehabilitation Scheme.
- iv) The company shall satisfy MA that the physical progress and all aspects of cost of the scheme/means of finance of the scheme is complied with as per the original schedule. To this end, the company shall furnish to MA such information and data as may be required by it at intervals stipulated by it.
- v) Any financial shortfall arising out of the delayed implementation of the schedule or for any other reason shall be met by the company/promoters without any recourse to FIs/Banks or seeking any further reliefs/concessions from them than what has already been provided for in the Scheme.
- vi) The company shall not undertake any new project or expansion or make any investment or obtain any asset on lease/hire without the prior approval of BIFR during the currency of the Scheme except to the extent of 5% of its paid up capital for emergent repairs/replacement etc., in addition to what has been approved in the scheme.

- vii) The company shall not declare any dividend on Equity/Preference share capital till the entire outstanding statutory dues are fully cleared. Thereafter, the company shall obtain the approval of the BIFR for declaration of dividend to its equity/preference shareholders.
- viii) BIFR/MA will have the right to appoint their nominee(s) in the Board of the company.
- ix) The company shall continue to submit its audited balance sheets (ABSs) from cut off date onwards at the end of each financial year within one month of the finalization thereof to the Monitoring Agency (MA)/secured and main creditors and BIFR. It shall ensure finalization of ABS in terms of provisions of Companies Act, 1956 without fail and the BOD must ensure to avoid any delay.
- x) In addition to meticulous compliance with the schedules of payments covered under the scheme, the company shall ensure timely payment of all dues accruing after the cut off date and/or date of sanction of the scheme to Banks, Financial Institutions, Central and State Governments and Statutory Authorities in normal course, failing which the concerned parties would be free to withdraw the reliefs and concessions granted by them, subject to prior approval of BIFR.
- xi) The company shall submit progress reports (PR) regarding the implementation of the scheme to MA on quarterly basis within one month following the close of the quarter during the first two years of the scheme and on half-yearly basis thereafter till full implementation if the progress has been good in terms of projections. The MA shall monitor the implementation of the scheme in all its aspects and shall submit a review of the implementation of the scheme to BIFR within a month of receipt of such PR with copies to BOD of the company and to all concerned. If the company defaults to submit the PR, the MA must report to the Board also.
- xii) Any disputed liability shall be paid by the company as per the dues crystallized by the competent court of appeal in finality.
- xiii) All current dues arising after cut-off date to be paid by the company in the normal course and no special protection of SICA would be available for this purpose.
- xiv) Dues up to cut-off date not disclosed/covered in the DRS and any shortfall in performance or any other activity and the contingent liability as & when any such liability falls due shall be met by the company/promoters by bringing in additional interest free funds from outside sources, upfront.
- xv) The loans inducted/to be inducted by the promoters shall be subordinated and interest free and shall not be withdrawn during the rehabilitation period without the prior approval of BIFR/MA.
- xvi) Any shortfall in resources for meeting the capital expenditure or contingent liabilities shall be arranged by the Company/promoters.
- xvii) The fresh equity to be brought in by the promoters will be subject to compliances of all statutory and SEBI guidelines in the matter, including a lock-in period of 3 years as per SEBI Guidelines.
- xviii) The interest @ at SBI PLR is considered w.e.f. 1.4.2009 and excess interest recovered if any over and above SBI PLR w.e.f. 1.4.2009 will have to be set off against future interest payable by the company.



xix) The company/promoters are directed u/s 22A of SICA not to dispose of, sell or alienate any fixed or current assets of the company without the consent of the secured creditor and the BIFR. The current assets, however, can be drawn down to the extent required for day-to-day operations and proper accounts of which would be maintained.

xx) The provisions of the Scheme shall have effect notwithstanding anything inconsistent therewith contained in any other Act except the provisions of the Foreign Exchange Management Act, 1999 and the Urban Land (Ceiling and Regulation) Act, 1976) for the time being in force or in the Memorandum and Articles of Association of the company or in any other instrument having effect by virtue of any Act other than Sick Industrial Companies (Special Provisions) of Act, 1985 as amended or re-enacted from time to time or any Act passed in replacement thereof.

xxi) The company is required to comply with all the terms and conditions applicable to them independent of compliance by other agencies.

xxii) Reference to BIFR shall include any successor Tribunal or Forum or Authority, which is conferred with or which exercises the powers exercised by the BIFR.

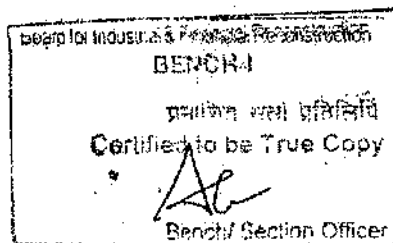
xxiii) This Scheme shall come into force with immediate effect and shall be implemented by all concerned as per the time frame stipulated / or envisaged in the Scheme and in the Annexure hereto.

xxiv) Notwithstanding anything stated hereinabove, the reliefs and concessions to be granted by State/central Govt. Depts./Agencies, should be as per provisions of Policy guidelines of respective State/Central Govt. Deptt./Govt. Agencies.

  
(B.S. MEENA)  
MEMBER

  
(Y.K. GAIHA)  
MEMBER

  
(NIRMAL SINGH)  
CHAIRMAN



**Scope of Work for the Legal Consultant**

1. The applicability of the provisions of BIFR Order Case No. 504/2004 ITI Ltd dated 08.01.2013 (copy attached as Annexure 'I') especially with regards to restriction imposed vide sub para xix of para 13 of ibid Order.
2. Rendering advice on the current BIFR Status of the company in terms of BIFR Order attached as Annexure 'I')
3. Undertaking the task of Statutory filing under NCLT or any other Statutory bodies with regards to the current BIFR Status and emerging out of it.
4. Advice on the implications of emerging out of BIFR Tag and protections that the company may have to forego in case the company is no longer a BIFR Company.
5. To undertake Valuation of Land & Building by a SBI Bank approved registered 'Valuer' and submitting a report to the Consortium of Banks and to ITI Management.
6. Advising and Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land & building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land & building of the company.
7. Attending organizational, due diligence and drafting sessions with the Company, its representatives, its accountants, Consortium of Banks, Statutory Auditors and Consortium of Banks/SBI Caps (Security Trustee).
8. Completing the legal and secretarial due diligence (i.e review of all relevant & associated legal documents, litigations, BIFR Orders, etc)
9. Review of all statutory compliances.
10. Drafting & submission of application to the Consortium of Banks/SBI Cap/RoC/Sub-Registrar Office for execution of the transaction and requisite statutory filings with designated authorities.
11. Review and undertake due diligence and regulatory requirements associated with the tasks enshrined in this scope of work.
12. Drafting & finalization of other documents required for the purpose of the said transaction not limited to relevant Board and Shareholders resolution(s), Power of Attorney (ies) and Publicity guidelines.
13. Reviewing the SEBI/RoC/Sub-Registrar Office checklist for purpose of ensuring compliance of the disclosure with SEBI requirements and requirements of BSE Limited and National Stock Exchange of India Limited, if any and the verification of the filings against the said checklist.
14. Drafting / submission of letters to Consortium of Banks/SBI Caps/statutory authorities relating to above transaction documents, responses to comments /queries received from SEBI, Stock Exchanges, Consortium of Banks, Department of Telecommunications including

- investor complaints / queries etc until the completion of all activities relating to the above transaction.
15. To assist in preparing/organizing requisitions required for execution of the transaction.
  16. Interacting with the Company along with the Banks/SBI Cap to explain and agree upon the due diligence information and documentation requirement.
  17. Review of various agreements and material documents entered into by the Company.
  18. Drafting and review of all agreements relating to the transaction.
  19. Drafting of the consent letters/No Objection Certificate to be taken from all consortium banks.
  20. Review of Memorandum and Articles of Association for compliance with respect to the above transaction.
  21. Reviewing all other relevant legal and other documents
  22. Review of disclosures regarding proposed transaction by the Company.
  23. Review of 'Charge' created on Company's land & building.
  24. Providing all other legal advice and written opinions, including comprehensive advice on issues that may arise with respect to the proposed transaction and necessary disclosures.
  25. Analysis of legal, tax and process risks and providing solutions as required.
  26. Drafting and Interacting with the Statutory Auditors of the Company with regards to the completion of the transaction
  27. Drafting all board resolutions, shareholder's resolutions related to the transaction, required to be passed by the Company, if any, power of Attorney.
  28. Coordinating and communicating with other parties involved in the transaction.
  29. Assistance to the Company in drafting applications for obtaining the required Government approvals including related to RBI / FIPB and other statutory approvals for the purpose of the transaction, if any.
  30. Assisting with respect to Closure of transaction with respect to filing with ROC/Stock Exchanges/SBI Cap/Consortium of banks.
  31. Any other matter connected with proposed the task of rendering advice on the BIFR Status & advising with Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land & building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land & building of the company.
  32. Assist in any issues that may arise in connection with this transaction.

EVALUATION - CONSULTANT - QCBS				
Sl. No	PARTICULARS	Weightage in terms of Scoring		Max. Score
I	Experience and capability in Handling valuation of property/ Mergers & Acquisition/ vacation of charge especially with specific requirement of rendering advice on the BIFR Status of the Company and requisite Statutory Compliances & advising and Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land & building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land & building of the company:			25
i.	Profile of the organization.	Have been in existence for less than 15 years	3	5
		Have been in existence more than 15 years	5	
ii.	Capability, capacity and previous experience of the law Firm and expertise in handling such assignments.	Bidders should have advised, handled and successfully completed at least one transaction and up to 3 transactions of Valuation of Property /Merger & Acquisitions/Vacation of Charge as a legal Consultant size of Rs 1000 crore or more during the period starting from April 1, 2017 to March 31, 2022.	10	15
		Bidders should have advised, handled and successfully completed more than 3 transaction of Valuation of Property /Merger & Acquisitions/Vacation of Charge as a legal Consultant size of Rs 1000 crore or more during the period starting from April 1, 2017 to March 31, 2022.	15	
iii	Demonstrate ability to work with Banks /RoC/BIFR/NCLT & other statutory bodies.	In last 5 years, if acted as legal Consultant to the PSUs/Public Sector Banks up to 3 transactions	3	5
		In last 5 years, if acted as legal Consultant to the PSUs/Public Sector Banks for more than 3 transactions	5	
II <u>Infrastructure &amp; Manpower:</u>				25
i	Details of infrastructural facilities like office, manpower etc in India .	Corporate Legal team has up to 10 members on the roll of the company.	5	10
		Corporate Legal team has between 11- 30 members on the roll of the company	7	
		Corporate Legal team has more than 31 members on the company	10	

ii	Core and support teams, proposed to be deployed for ITI transaction	If the proposed <b>Team lead</b> has advised, handled and successfully completed at least one transaction and up to 3 transactions of Valuation of Property/Merger & Acquisitions/ Vacation of Charge as a legal Consultant size of Rs 1000 crore or more during the period starting from April 1, 2017 to March 31, 2022.	10	15
		If the proposed <b>Team lead</b> has advised, handled and successfully completed more than 3 transaction of Valuation of Property /Merger & Acquisitions/Vacation of Charge as a legal Consultant size of Rs 1000 crore or more during the period starting from April 1, 2017 to March 31, 2022.	15	
<b>III Understanding of the Regulatory framework:</b>				<b>20</b>
i	<p>Demonstrate understanding of the legal, policy &amp; regulatory issues in Mergers &amp; Acquisitions / Valuation &amp; vacation of charge and statutory compliances including thorough knowledge about guidelines, rules, regulations with specific requirement of executing the task of rendering advice on the BIFR Status with Statutory Compliances &amp; advising and Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land &amp; building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land &amp; building of the company.</p> <p>ii. Expertise in handling the regulatory requirements and securing the required approvals from the concerned authorities.</p>	Based on documents submitted & Technical presentation	10	<b>10</b>
ii	Past experience in dealing with such transactions.	If number of transactions handled in last five years is upto 2	2	<b>10</b>
		If number of transactions handled in last five years is between 3 - 5	5	
		If number of PSU transactions in last five years handled is more than 5	10	

Sl. No	PARTICULARS	Weightage in terms of Scoring	Max. Score
IV	<b><u>Indicative Timeline:</u></b>		10
	Demonstrate ability to deliver in accordance with tight timetable requirements and the ability to commit key personnel for the entire duration of the transaction / till the completion of the transaction	Based on documents submitted and technical presentation.	10
V	<b>Strategy for the proposed transaction of rendering advice on the BIFR Status and requisite Statutory Compliances &amp; advising and Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land &amp; building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land &amp; building of the company:</b>		20
	i. Intended approach to the proposed transactions including the sequencing of the transaction to achieve effective execution. ii. Indicated strength in organizing the resources and the due diligence required for the transaction iii. Indicated capability of preparing quality document to be filed with regulatory authorities or the agreements that are required to be entered into in the course of above transaction.	Based on documents submitted and technical presentation	20

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**FORMAT OF UNCONDITIONAL BID ON THE LETTERHEAD OF THE BIDDER**

This is to certify that the fee quoted by us for engagement as “Consultant for the transaction of rendering advice on the BIFR Status including requisite NCLT filing & advising with Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land & building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land & building of the company by ITI Limited” is in accordance with the terms and conditions laid down in the Request for Proposal No. dated /\_\_/2022 displayed on the website of the Company and is unconditional.

**Seal with Signatures of Authorized signatory of the Legal Consultant**

## PRICE BID FORMAT

Details	Amount (in Rs)
Professional Fees all inclusive (Lump Sum) for intended transaction of rendering advice on the BIFR Status including requisite Statutory Compliances & advising and undertaking Actual execution of Task on Turnkey Basis including valuation of Land & Building for restricting the charge created by consortium of banks on land & building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land & building of the company ( <b>Refer Scope of Work at Annexure 'II'</b> )  (Including fees & expenditure and all applicable taxes)	
<b>TOTAL UNCONDITIONAL PRICE *</b>	

**\* Note: The above unconditional price will be valid till completion of the transaction in all respects.**

**CONFIDENTIALITY AND NON DISCLOSURE AGREEMENT**

BY AND AMONGST

ITI LIMITED

AND

[●]

AND

This Confidentiality and Non-Disclosure Agreement ("Agreement") is made effective from [●], 2020 by and amongst:

ITI LIMITED, a company incorporated under the erstwhile Mysore Companies Act, XVIII of 1938 and having its registered office at ITI Bhavan, Doorvani Nagar, Bengaluru 560 016 (the "Company" or "ITI"), which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns, of the FIRST PART;

AND

M/s.----- (hereinafter referred to as "Consultant" which expression shall unless repugnant to the subject or context thereof, shall mean and include its successors and permitted assigns) of the OTHER PART;

The Company and the Consultant are collectively referred to as the "Parties" and individually as a "Party".

WHEREAS, ITI is proposing to seek a Consultant for the transaction of rendering advice on the BIFR Status including requisite Statutory Compliances & advising and Actual execution of Task on Turnkey Basis for restricting the charge created by consortium of banks on land & building of ITI Ltd against the working capital exposure and to get the charge vacated on the remaining parcel of land & building of the company hereinafter referred to as the ("Transaction")

WHEREAS, in pursuance of the above, the Company recognize that there is a need to disclose the Consultant certain information defined as "Confidential Information", which needs to be protected from unauthorized use and disclosure.

WHEREAS, the Parties hereto are willing to execute this Agreement in order to protect such Confidential Information.

Whereas "affiliate" in respect of a Party means, a person, or entity that, directly or indirectly, through one or more subsidiaries, intermediaries, Controls, or is Controlled by, or is under common Control with, that Party.

Read, understood and complied with

Signature of the Bidder

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“Controlled by” or “Control”, means:

- a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any entity whether through the ownership of voting securities, by agreement or otherwise, or the power to elect more than one-half of the directors, partners or other individuals exercising similar authority of such entity; or
- b) the right to exercise 50% votes directly or indirectly, in relation to an entity.

In consideration of the premises and mutual covenants herein contained, the Parties agree as follows:

1. For the purpose of this Agreement, “Confidential Information” means any information including commercial, financial, geographical, legal information, details of contracts, government approvals and licenses required for the business operations and any related data pertaining to the Company or its affiliates or its joint venture companies given to the Receiving Party in the course of due diligence carried out in connection with the Transaction. Such Confidential Information may be:
  - i. in written or digital form;
  - ii. verbally transmitted by either party provided such information is reduced to writing and delivered to other party subsequent to verbal transmission of the information as provided in Clause 12; and
  - iii. derived from analysis and observation from visit of units/sites.

The Company will be referred to herein as a "Disclosing Party" and the Consultant receiving Confidential Information will be referred to as a "Receiving Party".

2. Each Receiving Party severally agrees that all information furnished by the Company, or their advisors, its representatives or Consultant, in connection with the Transaction, whether furnished before or after the date hereof and, subject to Clauses 7 and 12 hereof, regardless of the manner in which it is or was furnished shall be treated by the Consultants, and their respective advisors, representatives, affiliates, to whom the Consultants may provide such information in connection with the Transaction, as Confidential Information. Each Receiving Party undertakes that the Confidential Information furnished by the Company shall be solely used for the purpose of the Transaction and not for any other purpose. Subject to Clause 6, the Consultant undertake that any such Confidential Information retained shall be used only for the purpose of making disclosures as required under applicable law pertaining to the Transaction with prior intimation to the Company in accordance with this Confidentiality and Non disclosure Agreement and where circumstances do not permit prior intimation to be given then the Consultant shall promptly intimate the Company, about such disclosure of Confidential Information.
3. The Receiving Party shall request the Disclosing Party in writing to provide information that may be required from Disclosing Party in connection with the Transaction. On receipt of such request, Disclosing Party in exercise of its discretion, disclose whole or part of the

information sought for by the Receiving Party / refuse to disclose certain information as a whole.

4. Any information disclosed by the Company or on behalf of the Company in connection with or relating to the public issue whether or not specifically marked or designated as confidential shall be treated by the receiving party as confidential. Without limiting the generality of the foregoing such information shall include any studies, analyses, materials, seminars, notes, compilations or reports prepared by the Company or made for the Company that reflect such information of the Company.
5. If the Disclosing Party decides to withhold whole or part of such required information, they shall communicate the same to Consultant. In the event of Disclosing Party not being able to provide the information as sought by Consultant, Consultant shall take necessary steps as appropriate to apply to the SEBI to seek exemption from disclosure of such information. In such circumstances, the Disclosing Party shall provide all necessary assistance to Consultant for seeking any appropriate exemption.
6. The Receiving Party shall restrict disclosure of the Confidential Information received from the Disclosing Party on a need-to know-basis only to its affiliates and their employees, directors and officers (hereinafter referred to as the "Representatives") who are dealing with the subject matter in connection with the Transaction or as otherwise permitted under this Agreement and are subject to confidentiality obligations with respect thereto. The Receiving Party shall inform the Representatives of about such confidentiality obligation and will be responsible for the acts of the Representatives. Further, if any consultants / third parties are appointed by the Consultant in connection with performing their obligations in the Transaction, then the Consultant shall enter into a similar confidentiality agreement with such consultants / third parties to ensure that the Confidential Information is kept confidential by such consultants / third parties and that there is no leakage of any Confidential Information. The Receiving Party shall be responsible to the Disclosing Party for any breach of confidentiality obligations by the Representatives or consultants / third parties as set forth in Clause 13.
7. The confidentiality obligation under this Agreement will not apply to the following:
  - a) To any information which, prior to its disclosure in connection with the Transaction, was already in the possession of the Receiving Party or its advisors, representatives, affiliates or Consultant when they were not acting as Receiving Party or their advisors, representatives or Consultant for purpose of the Transaction or to the extent such information is or becomes publicly available otherwise than by disclosure by the Receiving Party in violation of this Agreement;
  - b) To any information which is required to be disclosed, or is disclosed to regulators, stock exchanges, in connection with the Transaction, as duly approved by the Company. If the information is required to be disclosed otherwise than as mentioned in this Sub-Clause, then Consultant shall be required to obtain prior written consent of the Company;
  - c) To any information disclosed on behalf of the Company to purchasers or prospective

purchasers of the equity shares in connection with the Transaction with prior intimation to the Company;

- d) To any information given on the request or demand of any regulatory authority or any stock exchange having jurisdiction over any of the Receiving Party or any of their respective affiliates;
- e) To any information, which is or comes into the public domain without any default on the part of the Receiving Party or their advisors, representatives, affiliates or Consultant or comes into the possession of the Receiving Party or their advisors, representatives, affiliates or Consultant other than in breach of any confidentiality obligation owed to the Company of which the Consultant is aware;
- f) To any disclosure pursuant to any law or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any governmental, regulatory or supervisory authority or stock exchanges or pursuant to and in connection with any legal or administrative proceedings, including without limitation (i) in carrying out our legal and contractual obligations as an underwriter in the Transaction and (ii) to assert any defenses available under applicable securities laws; subject to applicable law. The Receiving Party shall (i) to the extent possible provide the Company prior notice of such requirement in respect thereof and (ii) where it is not possible to provide prior notice, the Receiving Party shall promptly notify the Company after such disclosure is made;
- g) To any information made public with the prior consent of the Company; and
- h) To any information which is independently developed by the Receiving Party for the purpose of the Transaction with prior intimation to the Company.

Provided that the term “Confidential Information” shall not include, which may have been filed with relevant regulatory authorities (excluding any informal filings or filings where the documents are treated in a confidential manner), or other Transaction related materials/ documents as duly approved by the Company, or in the opinion of such Receiving Party is necessary to make the statements therein not misleading.

- 8. Any advice or opinions provided by the Receiving Party under or pursuant to the Transaction shall not be disclosed or referred to publicly or to any third party, by the Company, except in accordance with the prior written consent from the Receiving Party or except where such information is permitted under this Agreement or required by law or in connection with disputes between the Parties or if required by a court of law or any other regulatory authority, provided that the Company shall, to the extent permitted by applicable law (i) to the extent possible, provide the Receiving Party with prior notice of such requirement and (ii) where it is not possible to provide prior notice, the Company shall notify the Receiving Party in respect thereof to the extent possible. The Parties agree that no public announcement or communication relating to the subject matter of this Agreement shall be issued or dispatched without the prior consent of the other Party, which shall not be unreasonably withheld, and except to the extent that such public

announcement or communication may be required under applicable law. Subject to the adherence to the provisions of this Clause 8, the Company and each of the Receiving Parties shall be entitled to describe their respective involvements in any transaction pursuant to the engagement and its or their services rendered after the Transaction closing date in any newspaper, journal etc.

9. The Receiving Party shall not use any of the Confidential Information, for any purpose other than for the purpose of the Transaction or a manner which is not in accordance with this Confidentiality Agreement and shall be fully responsible for any breach of the confidentiality undertaking hereunder. The Receiving Party shall not disclose any or part or summary or extracts of the Confidential Information to any third party without Company's prior written approval except as permitted.
10. The Parties recognize and agree that the unauthorized disclosure or unauthorized use of Confidential Information in breach of this Agreement may cause irreparable harm and injury to the Disclosing Party. Accordingly, the Parties agree that the Disclosing Party will have the right to seek specific performance or immediate injunction enjoining any breach or threatened breach of this Agreement, as well as the right to pursue any and all other rights and remedies available at law or in equity for such a breach.
11. All Confidential Information given by the Disclosing Party shall remain the property of the Disclosing Party. By disclosing information or executing this Agreement, the Disclosing Party does not grant any license, explicitly or implicitly, under any trademark, patent, copyright, trade secret or any other intellectual property right.
12. If any information is disclosed only verbally, the Disclosing Party had instructed the Receiving Party at the time of the initial disclosure that such information disclosed verbally should be treated as "Confidential Information", the Disclosing Party shall, within fifteen days after such disclosure deliver to the Receiving Party a written description of such Confidential Information, identifying such Confidential Information, the place where and the date when such verbal disclosure was made.
13. In the event of a breach by the Receiving Party in performing its responsibilities and confidentiality obligations under this Agreement, as determined by a court or arbitral tribunal of competent jurisdiction, the Receiving Party shall be responsible to the Disclosing Party for any direct loss, claim, damage or liability incurred by the Disclosing Party as a result of such breach that is so judicially determined. Notwithstanding anything to the contrary, no indirect, consequential, damages resulting from or arising out of a breach of this Agreement shall be payable by the Receiving Party to the Disclosing Party. For purposes of this Clause 13 if so determined by a court or arbitral tribunal of competent jurisdiction, Defaulting Party shall be responsible for damages and expenses (including reasonable legal fees) resulting from breach of this Agreement as determined above, including breach by Representatives or consultants or third parties of the defaulting party. A "Defaulting Party" shall mean any Receiving Party who is in breach of any of the confidentiality obligations as mentioned in the Confidentiality Agreement.
14. No Party shall assign this Agreement without prior written consent of other Party.

15.

- i. If any dispute, difference or claim arises between the Parties hereto in connection with this Agreement or the validity, performance, interpretation, implementation or alleged breach of the terms of this Agreement or anything done or omitted to be done pursuant to this Agreement, the Parties shall attempt in the first instance to resolve the same through negotiation. If the dispute is not resolved through negotiation within fifteen (15) working days after commencement of discussion, any Party may refer the dispute for resolution to an arbitration tribunal consisting of three arbitrators, one arbitrator to be appointed by the Company on one hand, one arbitrator to be jointly appointed by the Receiving Parties who are party to the claim on the other hand, and the third arbitrator to be jointly appointed by the two arbitrators appointed under this Agreement, in accordance with the Rules of Arbitration of the Indian Council of Arbitration. All proceedings in any such arbitration shall be conducted under the Arbitration and Conciliation Act, 1996, as amended, and shall be conducted in English. The arbitration shall take place in Bengaluru, India and shall be governed by the laws of India. The arbitral tribunal shall provide a speaking and reasoned award and state the reasons on which it is based.
- ii. Notwithstanding the power of the arbitrators to grant interim relief, the disputing parties shall have the power to seek appropriate interim relief from the Courts of Bangalore, India without taking recourse to the negotiation as mentioned in Clause 15 (i) above. The arbitration award shall be in English and shall state the reasons on which it is based and shall be final and binding on the disputing parties and the disputing parties agree to be bound thereby and to act accordingly.
- iii. The arbitrator(s) may award to a disputing party that substantially prevails on the merits, its costs and expenses. The Parties shall bear their respective costs incurred in the arbitration unless otherwise awarded or fixed by the arbitration tribunal;
- iv. Any reference made to the arbitration tribunal under this Agreement shall not affect the performance of terms, other than the terms related to the matter under arbitration, by the Parties under this Agreement. The disputing parties shall cooperate in good faith to expedite, to the maximum extent practicable the conduct of any arbitral proceedings commenced pursuant to this Agreement.

16. All Confidential Information furnished by the Disclosing Party shall remain the property of the Disclosing Party and shall be returned or destroyed by the Receiving Party upon earlier of: (i) the written request of Disclosing Party; (ii) the Receiving Party's determination that it no longer has a need for such information; or (iii) the final approvals of the Stock Exchanges for the listing pursuant to the Transaction; or (iv) as required under the applicable laws; whichever is earlier, except that the Receiving Parties may retain copies of the Confidential Information, to the extent that retention of such Confidential Information is necessary to comply with Receiving Party's internal document retention policies aimed at legal and regulatory compliance and any such retained Confidential Information shall remain subject to disclosure and use restrictions set forth herein, notwithstanding any termination of this agreement.

17. During the term of this Agreement, and for a period of one year commencing from the date of termination or expiry of this Agreement, the Consultant and Personnel of Consultant

shall not disclose to any party other than the Company or other concerned consultants, valuers or lawyers appointed by the Company, any information (other than publicly available information) relating to the services, covered in this agreement, the business or operations of the Company without the prior written consent of the Company unless such disclosure is requested by any statutory or regulatory or judicial/ quasi judicial authority constituted under the laws of India and having jurisdiction over a Party, or unless such disclosure is required in connection with any litigation affecting a party, or unless such disclosure is necessary to perform Legal services or obligations under this Agreement or unless such information has entered the public domain other than by a breach of the Agreement”.

18. This Agreement constitutes the entire understanding between the Parties hereto as to the Confidential Information and merges all prior discussions between them relating thereto.
19. No amendment or modification of this Agreement shall be valid or binding on the Parties unless made in writing and signed on behalf of each Parties, by their respective authorized officers or representatives.
20. The Company understands and agrees that the rights and obligations of the Receiving Parties under this agreement are several and not joint. Accordingly, the Company agrees that each Receiving Party shall have no liability to the Company for any actions, omissions, breach or non-compliance of any other Receiving Party or their respective representatives under this agreement.
21. The Parties agree that the laws of India shall apply in any dispute arising out of this agreement.

IN WITNESS WHEREOF the Parties hereto have caused these presents to be executed on the day and the year hereinabove written.

For ITI Limited Authorised Signatory

For [●]  
Authorised Signatory

For [●]  
Authorised Signatory

Witnessed by: 1.

For [●]  
Authorised Signatory

For [●]  
Authorised Signatory

2.

## ANNEXURE VII

**PRE CONTRACT INTEGRITY PACT**

PURCHASE ENQUIRY/ORDER No.

THIS Integrity Pact is made on.....day of .....20 .

**BETWEEN:**

ITI Limited having its Registered & Corporate Office at ITI Bhavan, Dooravaninagar, Bengaluru – 560 016 under the administrative control of Ministry of Communications, Government of India (hereinafter called the Principal), which term shall unless excluded by or is repugnant to the context, be deemed to include its Chairman & Managing Director, Directors, Officers or any of them specified by the Chairman & Managing Director in this behalf and shall also include its successors and assigns) ON THE ONE PART

**AND:**

..... represented by.....Chief Executive Officer (hereinafter called the Contractor(s), which term shall unless excluded by or is repugnant to the context be deemed to include its heirs, representatives, successors and assigns of the bidder/contract ON THE SECOND PART.

**Preamble**

WHEREAS the Principal intends to award, under laid down organizational procedures, contract for ..... of ITI Limited. The Principal, values full compliance with all relevant laws of the land, regulations, economic use of resources and of fairness/ transparency in its relations with its Bidder(s)/ Contractor(s).

In order to achieve these goals, the Principal has appointed an Independent External Monitor (IEM), who will **monitor** the tender process and the execution of the contract for compliance with the principles as mentioned herein this agreement.

WHEREAS, to meet the purpose aforesaid, both the parties have agreed to enter into this Integrity Pact the terms and conditions of which shall also be read as integral part and parcel of the Tender Documents and contract between the parties.

**NOW THEREFORE, IN CONSIDERATION OF MUTUAL COVENANTS STIPULATED IN THIS PACT THE PARTIES HEREBY AGREE AS FOLLOWS AND THIS PACT WITNESSETH AS UNDER:**

**SECTION 1 – COMMITMENTS OF THE PRINCIPAL**

1.1.The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:

- a. No employee of the Principal, personally or through family members, will in connection with the tender for or the execution of the contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the personal is not legally entitled to.
- b. The Principal will, during the tender process treat all bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all bidder(s) the

same information and will not provide to any bidder(s) confidential/additional information through which the bidder(s) could obtain an advantage in relation to the tender process or the contract execution.

- c. The Principal will exclude from the process all known prejudiced persons.

1.2. If the Principal obtains information on the conduct of any of its employee, which is a criminal offence under IPC/PC Act or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary action as per its internal laid down Rules/ Regulations.

## **SECTION 2 – COMMITMENTS OF THE BIDDER/CONTRACTOR**

2.1. The Bidder(s)/Contractor(s) commits himself to take all measures necessary to prevent corruption. He commits himself observe the following principles during the participation in the tender process and during the execution of the contract.

- a. The bidder(s)/contractor(s) will not, directly or through any other person or firm offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
- b. The bidder(s)/contractor(s) will not enter with other bidders/contractors into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
- c. The bidder(s)/contractor(s) will not commit any offence under IPC/PC Act, further the bidder(s)/contractor(s) will not use improperly, for purposes of competition of personal gain, or pass onto others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- d. The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the agents/representatives in India, if any. Similarly, the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any.
- e. The Bidder(s)/Contractor(s) will, when presenting the bid, disclose any and all payments made, are committed to or intend to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- f. The Bidder(s)/Contractor(s) will not bring any outside influence and Govt bodies directly or indirectly on the bidding process in furtherance to his bid.
- g. The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or to be an accessory to such offences.

### **SECTION 3 – DISQUALIFICATION FROM TENDER PROCESS & EXCLUSION FROM FUTURE CONTRACTS**

- 3.1 If the Bidder(s)/Contractor(s), during tender process or before the award of the contract or during execution has committed a transgression in violation of Section 2, above or in any other form such as to put his reliability or credibility in question the Principal is entitled to disqualify Bidder(s)/ Contractor(s) from the tender process.
- 3.2 If the Bidder(s)/Contractor(s), has committed a transgression through a violation of Section 2 of the above, such as to put his reliability or credibility into question, the Principal shall be entitled exclude including blacklisting for future tender/contract award process. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the Principal taking into consideration the full facts and circumstances of each case, particularly taking into account the number of transgression, the position of the transgressor within the company hierarchy of the Bidder(s)/Contractor(s) and the amount of the damage. The exclusion will be imposed for a period of minimum one year.
- 3.3 The Bidder(s)/Contractor(s) with its free consent and without any influence agrees and undertakes to respect and uphold the Principal's absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground including the lack of any hearing before the decision to resort to such exclusion is taken. The undertaking is given freely and after obtaining independent legal advice.
- 3.4 A transgression is considered to have occurred if the Principal after due consideration of the available evidence concludes that on the basis of facts available there are no material doubts.
- 3.5 The decision of the Principal to the effect that breach of the provisions of this Integrity Pact has been committed by the Bidder(s)/ Contractor(s) shall be final and binding on the Bidder(s)/ Contractor(s), however the Bidder(s)/ Contractor(s) can approach IEM(s) appointed for the purpose of this Pact.
- 3.6 On occurrence of any sanctions/ disqualifications etc arising out from violation of integrity pact Bidder(s)/ Contractor(s) shall not entitled for any compensation on this account.
- 3.7 Subject to full satisfaction of the Principal, the exclusion of the Bidder(s)/ Contractor(s) could be revoked by the Principal if the Bidder(s)/ Contractor(s) can prove that he has restored/ recouped the damage caused by him and has installed a suitable corruption preventative system in his organization.

### **SECTION 4 – PREVIOUS TRANSGRESSION**

- 4.1 The Bidder(s)/ Contractor(s) declares that no previous transgression occurred in the last 3 years immediately before signing of this Integrity Pact with any other company in any country conforming to the anti-corruption/ transparency International (TI) approach or with any other Public Sector Enterprises/ Undertaking in India of any Government Department in India that could justify his exclusion from the tender process.

- 4.2 If the Bidder(s)/ Contractor(s) makes incorrect statement on this subject, he can be disqualified from the tender process or action for his exclusion can be taken as mentioned under Section-3 of the above for transgressions of Section-2 of the above and shall be liable for compensation for damages as per Section- 5 of this Pact.

## **SECTION 5 – COMPENSATION FOR DAMAGE**

- 5.1 If the Principal has disqualified the Bidder(s)/Contractor(s) from the tender process prior to the award according to Section 3 the Principal is entitled to forfeit the Earnest Money Deposit/Bid Security/ or demand and recover the damages equitant to Earnest Money Deposit/Bid Security apart from any other legal that may have accrued to the Principal.
- 5.2 In addition to 5.1 above the Principal shall be entitled to take recourse to the relevant provision of the contract related to termination of Contract due to Contractor default. In such case, the Principal shall be entitled to forfeit the Performance Bank Guarantee of the Contractor or demand and recover liquidate and all damages as per the provisions of the contract agreement against termination.

## **SECTION 6 – EQUAL TREATMENT OF ALL BIDDERS/CONTRACTORS**

- 6.1 The Principal will enter into Integrity Pact on all identical terms with all bidders and contractors for identical cases.
- 6.2 The Bidder(s)/Contractor(s) undertakes to get this Pact signed by its subcontractor(s)/sub-vendor(s)/associate(s), if any, and to submit the same to the Principal along with the tender document/contract before signing the contract. The Bidder(s)/Contractor(s) shall be responsible for any violation(s) of the provisions laid down in the Integrity Pact Agreement by any of its subcontractors/sub-vendors/associates.
- 6.3 The Principal will disqualify from the tender process all bidders who do not sign this Integrity Pact or violate its provisions.

## **SECTION 7 – CRIMINAL CHARGES AGAINST VIOLATING BIDDER(S)/ CONTRACTOR(S)**

- 7.1 In case of any allegation of violation of any provisions of this Pact or payment of commission, the Principal or its agencies shall be entitled to examine all the documents including the Books of Accounts of the Bidder(s)/Contractor(s) and the Bidder(s)/Contractor(s) shall provide necessary information and documents in English and shall extend all help to the Principal for the purpose of verification of the documents.
- 7.2 If the Principal receives any information of conduct of a Bidder(s)/Contractor(s) or sub-contractor/sub-vendor/associates of the Bidder(s)/Contractor(s) which constitutes corruption or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer of the Principal for appropriate action.

## SECTION 8 – INDEPENDENT EXTERNAL MONITOR(S)

- 8.1 The Principal appoints competent and credible Independent External Monitor(s) for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extend the parties comply with the obligations under this pact.
- 8.2 The Monitor is not subject to any instructions by the representatives of the parties and performs his functions neutrally and independently. He will report to the Chairman and Managing Director of the Principal.
- 8.3 The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all product documentation of the Principal including that provided by the Bidder(s)/Contractor(s). The Bidder(s)/Contractor(s) will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The Monitor is under contractual obligation to treat the information and documents Bidder(s)/Contractor(s) with confidentiality.
- 8.4 The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the project provided such meeting could have an impact on the contractual relations between the Principal and the Bidder(s)/Contractor(s). As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in specific manner, refrain from action or tolerate action.
- 8.5 The Monitor will submit a written report to the Chairman & Managing Director of the Principal within a reasonable time from the date of reference or intimation to him by the principal and, should the occasion arise, submit proposals for correcting problematic situations.
- 8.6 If the Monitor has reported to the Chairman & Managing Director of the Principal a substantiated suspicion of an offence under relevant IPC/PC Act, and the Chairman & Managing Director of the Principal has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
- 8.7 The word '**Monitor**' would include both singular and plural.
- 8.8 Details of the Independent External Monitor *appointed* by the Principal at present is furnished below: -  
Shri Javeed Ahmad, IPS (Retd.)  
M-1101, Shalimar Gallant Apartment,  
Vigyanpuri ,Mahanagar,Lucknow-226006

Any changes to the same as required / desired by statutory authorities is applicable.

## **SECTION 9 – PACT DURATION**

- 9.1 This Pact begins when both the parties have legally signed it. It expires after 12 months on completion of the warranty/guarantee period of the project / work awarded, to the fullest satisfaction of the Principal.
- 9.2 If the Bidder(s)/Contractor(s) is unsuccessful, the Pact will automatically become invalid after three months on evidence of failure on the part of the Bidder(s)/Contractor(s).
- 9.3 If any claim is lodged/made during the validity of the Pact, the same shall be binding and continue to be valid despite the lapse of the Pact unless it is discharged/determined by the Chairman and Managing Director of the Principal.

## **SECTION 10 – OTHER PROVISIONS**

- 10.1 The Pact is subject to the Law as applicable in Indian Territory. The place of performance and jurisdiction shall the seat of the Principal.
- 10.2 The actions stipulated in this Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.
- 10.3 This pact is subject to Indian Law, place of performance and jurisdiction is the Registered & Corporate Office of the Principal at Bengaluru.
- 10.4 Changes and supplements as well as termination notices need to be made in writing by both the parties. Side agreements have not been made.
- 10.5 If the Bidder(s)/Contractor(s) or a partnership, the pact must be signed by all consortium members and partners.
- 10.6 Should one or several provisions of this pact turn out to be invalid, the remainder of this pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- 10.7 Any disputes/ difference arising between the parties with regard to term of this Pact, any action taken by the Principal in accordance with this Pact or interpretation thereof shall not be subject to any Arbitration.
- 10.8 The action stipulates in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

In witness whereof the parties have signed and executed this Pact at the place and date first done mentioned in the presence of the witnesses:

For PRINCIPAL

For BIDDER(S)/CONTRACTOR(S)

.....  
(Name & Designation)

.....  
(Name & Designation)

Witness

Witness

1) .....

1).....

2) .....

2).....

**ANNEXURE VIII**

**BID SECURITY DECLARATION FORM**

Date: \_\_\_\_\_

RPF No. \_\_\_\_\_

To  
DGM MM & CPIO,  
ITI Limited,  
(Registered & Corporate Office) ITI Bhavan,  
Doorvaninagar, Bengaluru – 560 016

I/We. The undersigned, declare that:

I/We understand that, according to your conditions, bids must be supported by a Bid Securing Declaration.

I/We accept that I/ We may be disqualified from bidding for any contract with you for a period of one year from the date of notification if I am/ We are in a breach of any obligation under the bid conditions, because I/ We

- a) Have withdrawn/modified/amended, impairs or derogates from the tender, my/our Bid during the period of bid validity specified in the form of Bid; or
- b) Having been notified of the acceptance of our Bid by the purchaser during the period of bid validity (i) fail or reuse to execute the contract, if required, or (ii) fail or refuse to furnish the Performance Security, accordance with the Instructions to Bidders.

I/We understand this Bid Securing Declaration shall cease to be valid if I am/we are not the successful Bidder, upon the earlier of (i) the receipt of your notification of the name of the successful Bidder; or (ii) thirty days after the expiration of the validity of my/our Bid.

Signed:

(Insert signature of person whose name and capacity are shown)

\*\*\*\*\*

**ANNEXURE IX**  
**DECLARATION OF RELATION IN ITI**

(To be typed and submitted in the Letter Head of the Company/Firm of Bidder failing which the offer of Bidder is liable to be summarily rejected)

To,

ITI Limited,  
ITI Bhawan, Doorvani Nagar,  
Bangalore: 560016

Dear Sir,

**Sub: Declaration for relation in ITI**

**Subject: RFP - \_\_\_\_\_**

I/We hereby submit the following information pertaining to relation/relatives of Proprietor/Partner (s)/Director(s) employed in ITI

**Tick (✓) any one as applicable:**

1. The Proprietor, Partner(s), Director(s) of our Company/Firm DO NOT have any relation or relatives employed in ITI

OR

2. The Proprietor, Partner(s), or Director(s) of our Company/Firm have relation/relatives employed in ITI and their particulars are as below:

(i)

(ii)

(Signature, Date & Seal of Authorized Signatory of the Bidder)

**Note:**

1. Attach separate sheet, if necessary.
2. If ITI Management comes to know at a later date that the information furnished by the Bidder is false, ITI reserves the right to take suitable action against the Bidder/Contractor.

## ANNEXURE X

BID FORM

NIT No. \_\_\_\_\_

Dated: \_\_\_\_\_

To  
DGM MM & CPIO  
ITI Limited,  
(Registered & Corporate Office)  
ITI Bhavan,  
Doorvaninagar, Bengaluru - 560 016.

Dear Sir,

1. Having examined the conditions of contract and specifications including addenda Nos.....the receipt of which is hereby duly acknowledged, we, undersigned, offer to act as Consultant in conformity with the said contract.
2. We agree to abide by this Bid for a period of 90 days from the date fixed for Bid opening and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
3. Until a formal Purchase Order of Contract is prepared and executed, this Bid together with your written acceptance thereof in your notification of award shall constitute a binding contract between us.
4. Bid submitted by us is properly prepared and submitted in the relevant sections of e-bidding portal as to prevent any subsequent alteration and replacement. Also pricing details / information is not made available in the technical section of e-bidding portal.
5. We understand that you are not bound to accept the lowest or any bid, you may receive.
6. We understand that the Bid document so submitted is the true copy of ITI tender documents available on ITI website [www.itilttd.in](http://www.itilttd.in). Any deviation will result in the rejection of the bid.

Dated this .....day of.....2021

Name and Signature -----

In the capacity of -----

Duly authorised to sign the bid for and on behalf of: .....

Witness: .....

Address: .....

Signature

## ANNEXURE – XI

### **UNDERTAKING FOR NOT BLACKLISTING**

(Non-Blacklisting declaration)

To:

Deputy General Manager,  
MM Department,  
ITI Ltd  
Registered & Corporate Office  
ITI Bhavan,  
Dooravaninagar,  
Bengaluru-560016 ( Karnataka, India )

Subject: Non-Blacklisting declaration in connection with participation in RFP No: ..... for  
.....

Dear Sir,

This is to notify you that our Firm/Company/Organization intends to submit a proposal in response to invitation for RFP No: ..... for providing  
..... In accordance with the above, we declare that:

- a. We are not involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this assignment.
- b. We are not blacklisted by any Central/ State Government/ agency of Central/ State Government of India or any other country in the world/ Public Sector Undertaking/ any Regulatory Authorities in India or any other country in the world for any kind of fraudulent activities.

Sincerely,

[BIDDERS NAME]

Name

Title

Signature

## **ANNEXURE – XII**

### **PERFORMANCE BANK GUARANTEE PROFORMA**

1. As agreed under the relevant terms and conditions of Letter of Intent / Purchase Order Ref ..... Dated ..... between M/s ITI Ltd., (with address) (hereinafter called the Purchaser) and M/s.....(hereinafter called the Supplier) for supply of .....(herein after called the said Purchase Order), the supplier hereby agrees to furnish a Security Deposit against supply performances by way of an irrevocable Bank Guarantee for Rs.....(Rupees.....only). We.....[Indicate the name of Bank] (Herein after referred to as 'THE BANK') at the request of the supplier do hereby undertake to pay to the purchaser, an amount not exceeding Rs.....(Rupees.....only) against any loss or damage caused to or suffered or would be caused to or suffered by the Purchaser, by reasons of breach by the said Supplier of any of the terms or conditions contained in the said Letter of Intent.
2. We. ....[Indicate the name of the Bank] do hereby undertake to pay the amount due and payable under this Guarantee without any demur, merely on a demand from the purchaser stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the purchaser, by reason of breach by the said Supplier of any of the terms or conditions contained in the said Letter of Intent or by reason of the Supplier's failure to perform the said Letter of Intent. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee shall be restricted to an amount not exceeding Rs.....(Rupees .....only).
3. The Bank further agrees that the Purchaser shall be the sole judge as to whether the said supplier has committed any breach or breaches of any of the terms and conditions of the contract and the extent of loss, damage, costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Purchaser on account thereof, and the decision of the Purchaser that the said Supplier has committed such breach or breaches and as to the amount or amounts of loss, damage costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Purchaser from time to time shall be conclusive, final and binding on the Bank.
4. We undertake to pay to the Purchaser, any money so demanded notwithstanding any dispute or disputes raised by the Supplier in any suit or proceedings pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.
5. It shall not be necessary for the Purchaser to proceed against the Supplier before proceeding against the Bank and the Guarantee herein contained shall be enforceable against the Bank notwithstanding any security, which the Purchaser may have obtained or obtains from the Supplier.
6. We.....[Indicate the name of Bank] further agree with the Purchaser, that the Purchaser shall have the fullest liberty without our consent and without effecting in any manner our obligation hereunder to vary any of the terms and conditions of the said Letter of Intent or to extend time of performance by the said Supplier from time to time or to postpone for any time or from time to time any of the powers exercisable by the Purchaser against the said Supplier and to forbear or enforce any of the terms and conditions relating to the said Letter of Intent and we shall not be relieved from our liability by reasons of any such variation, or extension being granted to said Supplier or for any forbearance, act or omission on the part of the Purchaser or any indulgence by the Purchaser, to the said Supplier or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

7. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Supplier.
8. We .....[Indicate the name of Bank] undertake not to revoke this Guarantee during its currency except with the previous written consent of the Purchaser, in writing.
9. Notwithstanding anything contained in the foregoing clauses, our liability under this guarantee is restricted to Rs. ....(Amount in words also) and our guarantee shall remain in force until .....(expiry of warranty period). Unless a demand is made against us to enforce a claim under this guarantee within three months from the date, all your rights under this guarantee shall be forfeited and we shall be relieved and discharged from all liability hereunder.

for.....[Indicate the name of Bank]

DATE:

PLACE: