

PRELIMINARY INFORMATION MEMORANDUM (PIM)
AND
INVITATION OF EXPRESSION OF INTEREST (EOI)
FOR
PROPOSED STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING
OF
CENTRAL ELECTRONICS LIMITED (CEL)
HELD BY
THE PRESIDENT OF INDIA
THROUGH
DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH (DSIR),
MINISTRY OF SCIENCE & TECHNOLOGY
(With transfer of management control)
(Strictly privileged and confidential)



Transaction Advisor to Department of Investment & Public Asset Management (DIPAM), GoI

February 2020

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Resurgent India Limited ("**Resurgent**" or "**Transaction Advisor**") has been retained as the advisor by the Government of India ("**Gol**") for advising and managing the proposed strategic disinvestment of Central Electronics Limited (hereinafter referred to as "**CEL**" or "**Company**"), pursuant to an agreement for engagement of advisor dated 6th November, 2017 (aforesaid proposed strategic disinvestment hereinafter referred to as the "**Transaction**"). This Preliminary Information Memorandum (hereinafter referred to as the '**PIM**') has been prepared by Resurgent for the limited purposes of providing certain information on CEL for enabling the recipients (hereinafter referred to as the '**Interested Bidder(s)**' or "**IB(s)**") to be apprised of such certain basic details of CEL prior to submission of the **Expression of Interest**(as defined hereinafter "**Eoi**") in respect of the Transaction. Unless otherwise specified, the information contained herein is as on August 31, 2019, and may be subject to material updates, revisions or amendment. Neither Gol, the Company nor Resurgent, undertake to update this PIM. Resurgent has not independently verified any of the information and data contained herein. Neither the Gol, the Company nor Resurgent (nor any of their respective affiliates, subsidiaries, advisors and agents), (i) make any representations or warranties, express or implied, as to the accuracy, or completeness of such information and data, (ii) take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortuous, statutory or otherwise, in respect of, the accuracy, completeness, authenticity, correctness and fairness of the information or for any of the opinions contained in the PIM or for any errors or omissions or for any loss/damage be it tangible or intangible, howsoever arising, from the use of this PIM and (iii) take any responsibility or accept any liability for any other written or oral communications transmitted to the recipient by or on behalf of Company or Resurgent or Gol or any of their advisors in the course of your evaluation of any transaction involving the Company. Any liability or responsibility of Gol, the Company and Resurgent and their respective advisors is, therefore, expressly disclaimed. You should conduct your own investigation and analysis of the Company in connection with the Transaction.

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

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

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Celdisinvestment@resurgentindia.com

Neither DIPAM nor DSIR or CEL shall be responsible in any manner to reply to such communication directly to IBs

1 Table of Contents

SECTION 1: ADVERTISEMENT.....	5
1.1 ADVERTISEMENT.....	5
SECTION 2: PRELIMINARY INFORMATION MEMORANDUM	6
2.1 INTRODUCTION.....	6
2.2 COMPANY OVERVIEW.....	7
2.3 BUSINESS AREAS.....	9
2.4 QUALITY CERTIFICATIONS.....	16
2.5 AWARDS	17
2.6 FINANCIALS	18
2.7 SWOT ANALYSIS.....	21
SECTION 3: INVITATION OF EXPRESSION OF INTEREST	22
3.1 PROPOSED TRANSACTION	22
3.2 ELIGIBILITY CRITERIA.....	24
3.3 INSTRUCTION FOR SUBMISSION OF EOI.....	26
3.4 DISQUALIFICATIONS	32
ANNEXURE 1: EXPRESSION OF INTEREST.....	35
ANNEXURE 2: STATEMENT OF LEGAL CAPACITY	37
ANNEXURE 3: FORMAT FOR REQUEST FOR QUALIFICATION	38
ANNEXURE 4: NON DISCLOSURE UNDERTAKING	41
ANNEXURE 5: POWER OF ATTORNEY-SOLE IB/CONSORTIUM	50
ANNEXURE 6: FORMAT FOR CONSORTIUM AGREEMENT	52
ANNEXURE 7: DECLARATION	56
ANNEXURE 8: DECLARATION	57
ANNEXURE 9: AFFIDAVIT FOR CERTIFICATION OF DOCUMENTS	58
ANNEXURE 10: UNDERTAKING	59
ANNEXURE 11: UNDERTAKING	60
ANNEXURE 12: DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT (DIPAM) GUIDELINES.....	61
ANNEXURE 13: CRITERIA FOR EMPLOYEES PARTICIPATION IN THE TRANSACTION	63
ANNEXURE 14: POWER OF ATTORNEY FOR EMPLOYEES PARTICIPATION	64
ANNEXURE 15: DIPAM GUIDELINES FOR EMPLOYEES BID	66

SECTION 1: ADVERTISEMENT

FOR INVITING EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF 100.00% SHAREHOLDING OF CEL HELD BY THE PRESIDENT OF INDIA

1.1 ADVERTISEMENT

GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF 100.00% SHAREHOLDING IN CENTRAL ELECTRONICS LIMITED (“CEL” OR “COMPANY”) BY GOVERNMENT OF INDIA

Central Electronics Limited (the “CEL”) is a public sector undertaking, under the administrative control of Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology, Government of India.

CEL was established in 1974 with an objective to commercially exploit indigenous technologies developed by National Laboratories and Research & Development institutions in the country.

The Government of India (“GoI”) has ‘in-principle’ decided to disinvest 100% of its equity shareholding in CEL (which is equivalent to 100.00 % of the total paid up equity share capital of CEL) through Strategic Disinvestment with transfer of management control (“**Strategic Disinvestment**” or “**Transaction**”).

The GoI, through the DIPAM has appointed Resurgent India Limited (“**Resurgent**” or “**Transaction Advisor**”) as its advisor to advise and manage the Transaction.

Expression of Interest (EOI) is invited from Interested Bidders (including employees of CEL as per the DIPAM guideline No.4/38/2002/DD-II Dated: 25th April 2003) having minimum net worth of Rs. 50 crores as on 31.03.2019. The complete invitation of EOI document along with Preliminary Information Memorandum (“**PIM**”) can be viewed / downloaded from following websites:

:

- www.resurgentindia.com;
- www.dipam.gov.in;
- www.dsir.gov.in;
- www.celindia.co.in

Eoi shall be submitted physically by the Interested Bidder on or before 16.03.2020 (at 1100 hours IST) (“**Eoi Due Date**”) at the address mentioned below. Please note that the GoI and the Transaction Advisor reserve the right to accept or reject all or any of the Eois without communicating any reason whatsoever.

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

SECTION 2: PRELIMINARY INFORMATION MEMORANDUM

FOR INVITING EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING OF CEL, HELD BY THE President of India

2.1 INTRODUCTION

Central Electronics Limited is a Govt. of India Enterprise under the administrative control of Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology. It was established in 1974 with an objective to commercially exploit indigenous technologies developed by National Laboratories and R&D Institutions in the country.

CEL has developed a number of products for the first time in the country through its own R&D efforts and in close association with the premier National & International Laboratories including Defense Laboratories. In recognition of all these efforts, CEL has been awarded a number of times with prestigious awards including “National Award for R&D by DSIR”.

CEL’s registered office is situated 781, Desh Bandhu Gupta Road, Karol Bagh, New Delhi-110005, India and corporate office is situated at 4, Industrial Area, Sahibabad - 201 010 (U.P.) India

The Government of India has 'in-principle' decided to disinvest 100.00% of its shareholding (held by the President of India through **Department of Scientific and Industrial Research**) in CEL through Strategic Disinvestment with transfer of management control (“Strategic Disinvestment” or “Transaction”).

The Government of India acting through Department of Investment & Public Asset Management (DIPAM) has engaged Resurgent India Limited as Transaction Advisor for providing Advisory services and managing the disinvestment process.

Through this PIM, the Transaction Advisor is providing the Interested Bidders (“IBs”) with limited and selected information pertaining to CEL for submitting their EOI’s to the Transaction Advisor, in respect of the proposed Strategic Disinvestment.

This PIM contains the following:

- Company overview
- Company Products
- Company financials
- SWOT Analyses

2.2 COMPANY OVERVIEW

2.2.1 Introduction

Central Electronics Limited is a Govt. of India Enterprise under the Department of Scientific and Industrial Research (DSIR), Ministry of Science & Technology. It was established in 1974 with an objective to commercially exploit indigenous technologies developed by National Laboratories and R&D Institutions in the country. CEL's registered office is situated at 781, Desh Bandhu Gupta Road, Karol Bagh, New Delhi-110005, India and corporate office & works are situated at 4, Industrial Area, Sahibabad - 201 010 (U.P.) India

CEL has developed a number of products for the first time in the country through its own R&D efforts and in close association with the premier National & International Laboratories including Defense Laboratories. In recognition of all these efforts, CEL has been awarded a number of times with prestigious awards including "National Award for R&D by DSIR".

CEL is pioneer in the country in the field of Solar Photovoltaic (SPV) with the distinction of having developed India's first Solar cell in 1977 and first Solar panel in 1978 as well as commissioning India's first solar plant in 1992. More recently, it has developed and manufactured the first crystalline flexible solar panel specially for use on the passenger train roofs in 2015. Its solar products have been qualified to International Standards IEC 61215/61730.

CEL has also developed axle counter systems that are being used in Railway signaling system for safe running of trains. Railway products include Single Section Digital Axle Counters (SSDAC), High Availability SSDAC (HA-SSDAC), Multi-Section Digital Axle Counter (MSDAC) & Block Proving by Axle Counter (BPAC) using Universal Fail Safe Block Interface (UFSBI). These products have been designed and developed in accordance with CENELEC standards. Further, CEL is currently engaged in R&D activities to upgrade the existing products and develop new products for Railway sector.

CEL has developed a number of critical components for strategic applications in collaboration with various DRDO labs etc. and is supplying these items to the Indian Defense.

As on 31st March 2019, CEL's paid up capital is Rs. 69.22 crores and Net Worth is Rs. 75.99 crores.

2.2.2 BOARD OF DIRECTORS AS ON 31st AUGUST 2019

Name	Designation	Date
Sh. B.N. Sarkar	Part-time Official Director & additional charge of CMD*	From 13.10.2015
Ms. Manjula Jillellamudi	Part-time Official Director	From 21.12.2016
Prof. Abhay Karandikar	Part-time Non- Official Director	From 31.01.2017

*Additional charge of CMD from 8.7.2019

2.2.3 HUMAN RESOURCE AS ON 31st AUGUST 2019

No of Permanent Employees	No. of Contractual Employees	Casual/Daily wagers
354	70	6

2.2.4 CAPITAL STRUCTURE AS ON 31st AUGUST 2019

Particulars	No. of shares	Value per share	Total value (INR)
Authorised Share Capital			
Equity share capital	8,00,000	1000	80,00,00,000/-
Total	8,00,000	1000	80,00,00,000/-
Issued, subscribed and paid up share capital			
Equity share capital	6,92,192	1000	69,21,92,000/-
Total	6,92,192	1000	69,21,92,000/-

2.2.5 SHAREHOLDING PATTERN AS ON 31st AUGUST 2019

S. No	Name of the shareholder	Number of shares held
1.	President of India	6,92,189
2.	Others*	3
Total number of shares		6,92,192

* One equity share each is issued to three nominees of the President of India

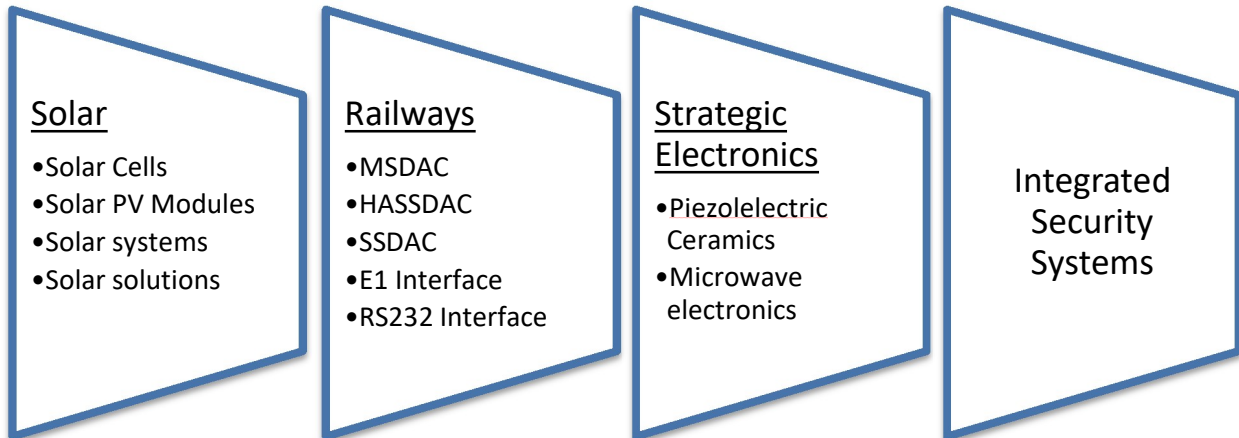
2.2.6 LAND DETAILS AS ON 31st AUGUST 2019

Location of Land	Area of Land	Title
4, Industrial Area, Sahibabad Ghaziabad-201010 (UP)	2,41,614 Square yards	Leasehold As per the lease deed, prior approval of Uttar Pradesh State Industrial Development Corporation Limited (UPSIDC) would be required for any alteration in memorandum or articles of association of CEL or any change in capital structure of CEL or any enblock transfer of shares resulting in change in management of CEL.

2.2.7 OFFICES AS ON 31st AUGUST 2019

S. No	Location	Title
1.	Registered Office 781, D.B. Gupta Road, Karol Bagh, New Delhi-110005 Tel: 011-23549336, 011-23526836	Short term Lease
2.	Corporate Office & Works 4, Industrial Area, Sahibabad, Ghaziabad-201010 (UP), Tel.- 0120-2895155-56	Owned Leasehold land from UPSIDC
3.	Regional Office No.51, CMH Road, 1st Floor, Indiranagar, Bangalore-560 038, Tel. 080-25251740	Short term Lease

2.3 BUSINESS AREAS



2.3.1 SOLAR

A. Solar Cells

- Oldest Monocrystalline Cell manufacturer in the country with a capacity of 10 MW per annum.

B. Modules

CEL has a state of the art module manufacturing line having installed capacity of 38MW (10MW in manual line and 28 MW in automated line) and is known for its high quality modules. CEL is manufacturer of some of the oldest functioning modules in the country. Solar Photovoltaic Modules are manufactured using Crystalline Silicon Solar Cells. These are high quality and high performance modules suitable for power generation in most rugged conditions. These modules have excellent durability to withstand extreme temperature and weather conditions of the high altitudes, deserts and coastal regions.

Features

- Uses crystalline Silicon solar cells.
- Suitable for DC 12V/24V systems or multiple, there-of.
- Encapsulation of cells using UV stabilized polymer (EVA) and protective back sheet.
- High transmission toughened glass superstrate and anodized aluminum frame for mounting.
- Long service life with 25 years' linear power output warranty and 10 years' warranty on material and workmanship

Specification

Model	PM10	PM20	PM30	PM40	PM50	PM70	PM75	PM80	PM100	PM140	PM150	PM240	PM250	PM280	PM290	PM300	PM310	PM320	PM 335			
Electrical Parameters at STC																						
Nominal Power Output (W)	10	20	30	40	50	70	75	80	100	140	150	240	250	280	290	300	310	320	335			
Module efficiency (%)	10.00	12.00	10.57	12.00	13.53	13.26	14.20	13.85	14.64	14.33	15.36	14.69	15.30	14.39	14.91	15.42	15.94	16.45	17.22			
Voltage at Pmax Vmpp (V)	17.00	17.00	17.00	17.00	17.00	17.00	17.50	17.50	17.50	17.50	17.50	29.70	29.70	36.50	36.50	36.50	37.00	37.00	37.20			
Current at Pmax Impp (A)	0.59	1.18	1.76	2.35	2.94	4.12	4.29	4.57	5.71	8.00	8.57	8.08	8.42	7.67	7.95	8.22	8.37	8.64	9.00			
Open Circuit Voltage Voc (V)	22.00	22.00	22.00	22.00	22.00	22.50	22.50	22.50	22.50	22.50	22.50	37.50	37.50	45.00	45.00	45.00	45.20	45.20	46.00			
Short circuit current Isc (A)	0.62	1.24	1.86	2.48	3.10	4.33	4.51	4.81	6.02	8.42	9.02	8.51	8.86	8.07	8.36	8.65	8.81	9.09	9.70			
Electrical Parameters at NOCT																						
Power Output Pmax (W)	7.20	14.40	21.60	28.80	36.00	50.40	54.00	57.60	72.00	100.80	108.00	172.80	180.00	201.60	208.80	216.00	223.20	230.40	241.20			
Voltage at Pmax Vmpp (V)	14.96	14.96	14.96	14.96	14.96	14.96	15.40	15.40	15.40	15.40	15.40	26.14	26.14	32.12	32.12	32.12	32.56	32.56	32.74			
Current at Pmax Impp (A)	0.48	0.96	1.45	1.93	2.41	3.38	3.51	3.75	4.69	6.56	7.03	6.63	6.90	6.29	6.52	6.74	6.86	7.08	7.38			
Open Circuit Voltage Voc (V)	19.36	19.36	19.36	19.36	19.36	19.80	19.80	19.80	19.80	19.80	19.80	33.00	33.00	39.60	39.60	39.60	39.78	39.78	40.48			
Short circuit current Isc (A)	0.51	1.03	1.54	2.06	2.57	3.60	3.74	3.99	4.99	6.99	7.49	7.06	7.35	6.70	6.94	7.18	7.31	7.55	8.05			
Thermal Characteristic																						
NOCT (°C)	47 ± 2																					
Temperature coefficient of Pmax (%/°C)	(-) 0.4383																					
Temperature coefficient of Voc (%/°C)	(-) 0.3305																					
Temperature coefficient of Isc (%/°C)	(+) 0.0638																					
Operating Conditions																						
Max. system voltage (V)	600			750						1000												
Max. series fuse rating (A)	1.00	2.00	3.00	4.00	4.00	6.00	6.00	7.00	8.00	11.00	12.00	11.00	12.00	11.00	11.00	11.00	12.00	12.00	13.00			
Operating temperature range (°C)	(-) 40 to (+) 85																					
General Characteristics																						
Dimensions, L / W / H (mm)	340x295x25	490x340x25	430x660x35	515x660x35	560x660x35	800x660x35	875x660x35	1035x660x35	1480x660x35	1650x990x35	1965x990x35											
Mounting Hole Diameter "X" (mm)	-	-	2 x R 3.5 x 7, 10																			
Hole to Hole Distance "Y" (mm)	-	-	340			510			800			1000										
Approximate Weight (Kg)	1.25	1.75	4.2	4.2	4.6	6.0	6.8	7.5	12.2	18.2	25											
No of cell pieces	36 Pieces cut cell										36	36	72									
Cell size											156/156.75	156/156.75	156mm/156.75mm									
Cell Matrix	9 x 4												10 x 6			12 x 6						
Frame material	Anodized Aluminium																					
Glass	3.2 mm																					
Junction Box	-	-	-	-	-	-	-	-	-	-	IP 67 rated											
Cable Connector	-	-	-	-	-	-	-	-	-	MC4												

Electrical specifications ,where tolerances are not mentioned may vary upto ± 5 %

Environmental Rating

NOCT (°C)	47 ±2
Max. permitted module temperature (°C)	-40 to +85
Max. permissible system voltage (V)	1000
Relative Humidity at 85°C (%)	85

C. Solar Photovoltaic Systems

CEL has developed and produced a range of innovative solar solutions for various applications including:

- Building Integrated Photo Voltaic (BIPV) solutions for railways platforms, Industrial sheds, warehouses, bus shelters, facades etc.
- Flexible panels for train roofs, , tin roofs, etc.
- Solar based paddle assisted rickshaw and E- Rickshaw.
- Solar Pavement
- Solar Tree for smart cities.
- Centralised battery energy storage systems.
- Solar Water pumping and Drip Irrigation solutions
- Micro grids
- Home lighting and street lighting systems.

CEL has long experience of working with state nodal agencies for a range of solar energy programs. It also works with a number of corporates as an executing agency for CSR projects in the field of Rural development through solar energy.

2.3.2 Railway

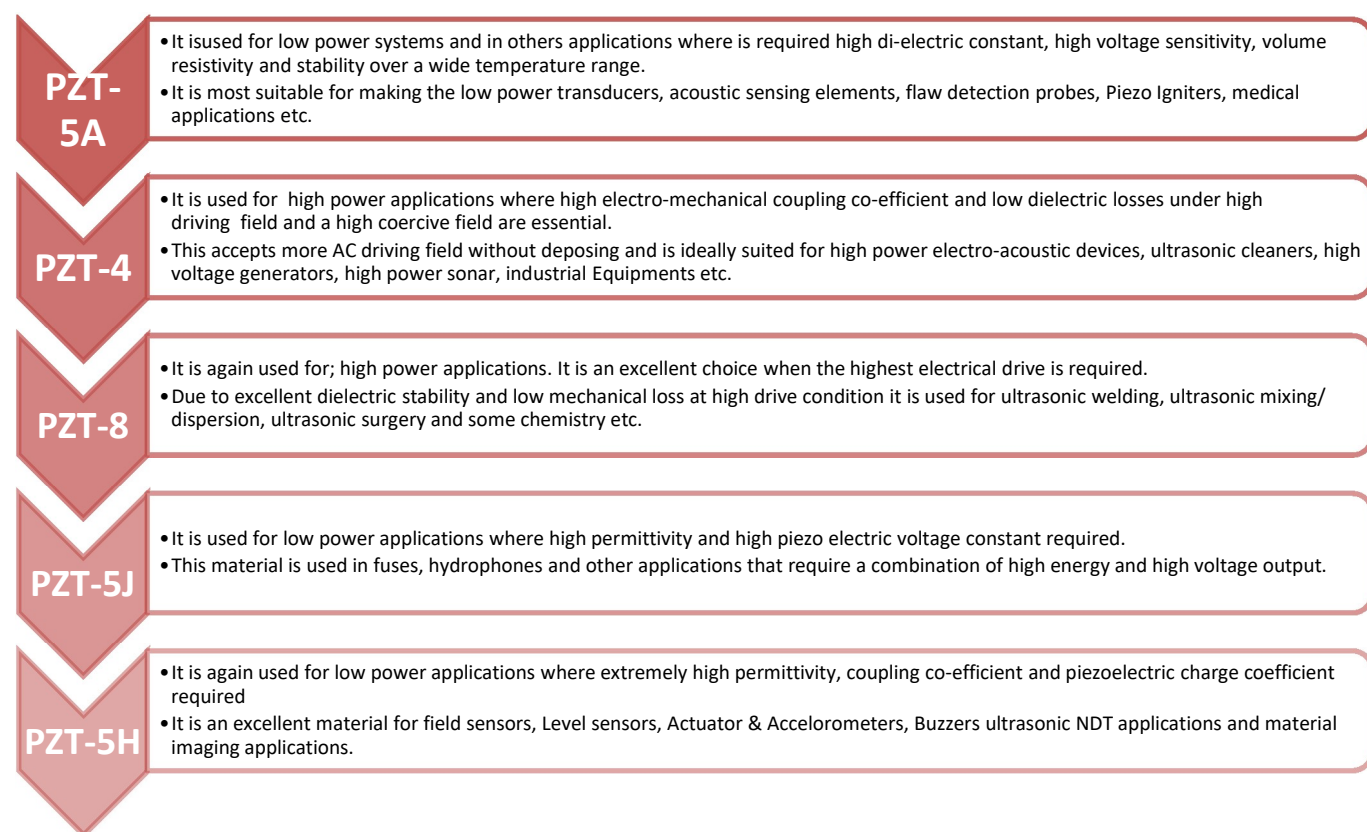
CEL developed India's first indigenous axle-counter in 1980's in collaboration with IIT Delhi and Railway Design and Standards Organizations (RDSO) and has subsequently developed digital axle counters. Currently the range of RDSO approved products for railway sector includes Universal Axle Counter, Single Section Digital Axle Counter – 710P, High Availability Single Section Digital Axle Counter-720P, and Multi-Section Digital Axle Counter -730.

CEL is further working on development of a range of new and upgraded products for signaling and telecommunication in the railway sector.

2.3.3 Strategic Electronics

A. Piezoelectric Ceramics

CEL is the Pioneer in manufacturing of different types of PZT elements, in India, since 1976. CEL manufactures various grade of Piezo-ceramics elements for low power as well as high power application including PZT-5A, PZT-5H, PZT-5J for low power applications and PZT-4, PZT-8 for high power applications. Piezo ceramics elements can be manufactured in any shape or sizes as per the requirement. These are more versatile with physical, chemical and piezoelectric characteristics able to be tailored to specific applications. Ceramics can be manufactured in almost any given shape or size.



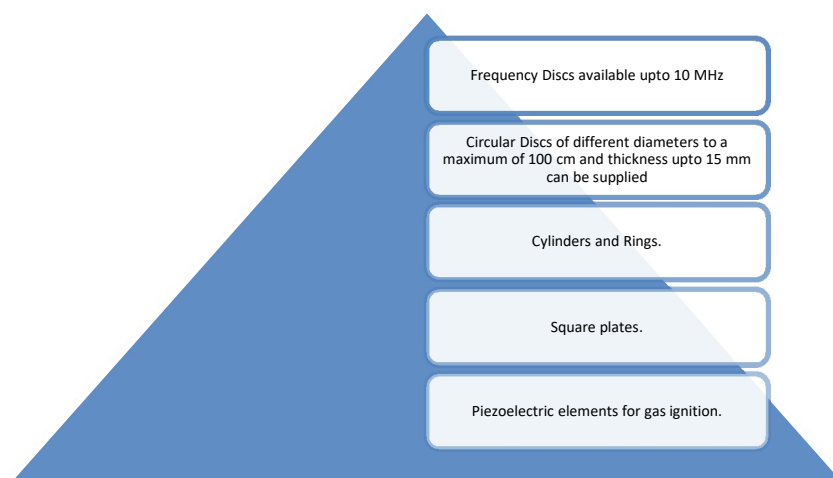
Material Characteristics

A.	PHYSICAL PROPERTIES*	SYMBOL	PZT-5A	PZT-4	PZT-8	PZT-5H	PZT-5J
1.	Density gm/cc	Δ	7.6	7.5	7.6	7.4	7.5
2.	Curie Temperature	T _c	320 C	300 C	300 C	210 C	225 C
3.	Mech. Q	Q _m	85	400	1000	70	70
B.	DIELECTRIC PROPERTIES	SYMBOL	PZT-5A	PZT-4	PZT-8	PZT-5H	PZT-5J
1.	Dielectric Constant at 1 KHz	K _{3t}	1600	1250	1000	3250	2600
2.	Dissipation factor at 1 KHz	Tan δ	0.02	0.005	0.004	0.02	0.02
3.	Resistivity	Ω -cm	10-12				

C.	ELECTRO-MECHANICAL DATA	SYMBOL	PZT-5A	PZT-4	PZT-8	PZT-5H	PZT-5J
1.	Coupling co-efficient	KP	0.55	0.52	0.51	0.56	0.62
		K31	0.31	0.28	0.30	0.34	0.37
		K33	0.68	0.65	0.60	0.68	0.72
2.	Piezoelectric Charge constant (C/NX10-12)	D33	3.50	2.40	225	580	480
3.	Piezoelectric Voltage constant (10-3 volts-meter/ Newton)	g33	25	22	25.4	20	20
D.	FREQUENCY CONSTANTS	SYMBOL	PZT-5A	PZT-4	PZT-8	PZT-5H	PZT-5J
1.	Radial Mode (Hz-meter)	NP	2000	2200	2340	2000	-
2.	Thickness Mode (Hz-meter)	N3T	1800	1900	2070	1950	1980

* These typical values are provided for design information only.
Standard tolerances are ±20% of these values measured after 24 hours of Polarization at 25°C.

Piezoelectric Elements



CEL has developed Piezo based fuse assemblies for Defence requirements, in collaboration with DRDO, which are supplied to ordinance factories.

CEL is working on other Piezo based applications such as Concrete Vibration Sensors for Structural Health Monitoring, Ceramics for Space Application, Knock Sensors for auto industry, etc.

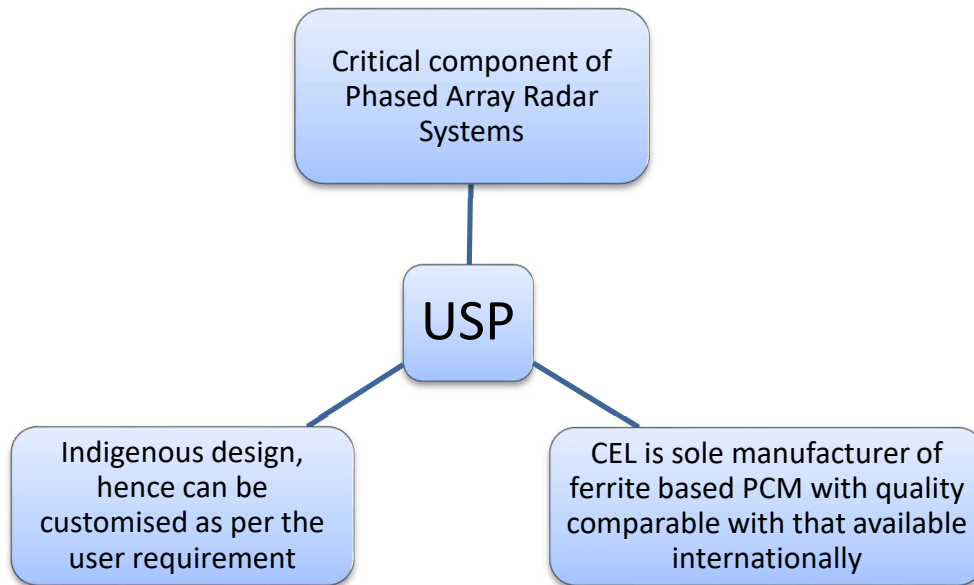
B. Microwave Electronics

Phase shifters are critical elements for electronically scanned phased array antennas that allow the antenna beam to be steered in the desired direction without physically re-positioning the antenna. Electronic phase shifters assumed special significance because of their potential utility and volume requirement in phased array antenna systems for inertia less scanning.

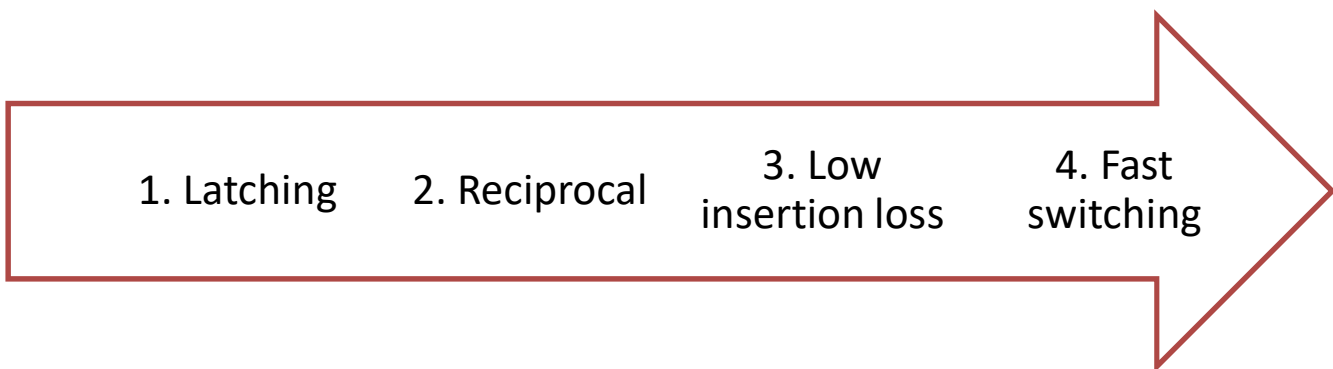
CEL is one of the very few companies, worldwide, that have pioneered the production of the ferrite phase shifters for C- and X- bands developed in collaboration with DRDO.

CEL is the only manufacturer of phase shifters in the country and has developed various production facilities for meeting the bulk demand of the phase shifters.

CEL can take up development work on ferrite phase shifters with customized specifications. Indigenous design hence can be customized as per the user requirement.



Features



Applications: Electronic Scanning Phased Array Antenna Systems

Strength

- Design and development of ferrite based components for microwave applications
- Design and development of dielectrics of required shapes for microwave applications

- Capability to machine (with mirror finish) complex shapes of ferrite and dialectics used for microwave applications

C. Cadmium Zinc Telluride (CZT) substrates

CEL is the only manufacturer of high grade Cadmium Zinc Telluride (CZT) Substrates in the country.

2.3.4 Integrated Security Systems

CEL has recently taken up a new business vertical vis Integrated Security & Surveillance Systems, where it has tie ups with leading OEMs as well as system integrators for installations and commissioning of such systems. CEL is also collaborating with various labs and institutions for development of various equipments for these applications. With the increased level of threat perception and growing requirement of advanced systems for ensuring security of various installations, the Company is looking toward rapid growth in the field in coming years.

2.4 QUALITY CERTIFICATIONS



2.5 AWARDS

CII- Good to great award



Leadership Innovation award



Hindustan Ratna PSU Award – Best Turnaround



Udhyog Ratna Award



National Award for Excellence in Cost Management



2.6 FINANCIALS

2.6.1 BALANCE SHEET EXTRACT (Rs. In Lakhs)

BALANCE SHEET	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)	2015-16 (Audited)	2014-15 (Audited)
Assets					
Tangible assets	3475.35	3059.34	3306.11	3697.04	3691.04
Intangible assets	19.83	12.79	24.25	29.66	74.57
Capital work in progress	155.81	654.90	160.48	75.40	43.99
Intangible assets under development	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	894.17	1293.97	0.00	0.00	0.00
Long term loan & advances	1146.66	1021.56	699.88	757.74	617.17
Other non-current assets	1941.83	1650.76	1676.31	1097.51	265.14
Inventories	5485.03	5098.47	6772.41	5351.02	4948.21
Trade receivables	11953.45	10963.07	12828.62	10934.98	8534.92
Cash & cash equivalents	1525.78	2126.58	3118.90	2076.85	2200.91
Short term loan & advances	918.00	904.99	1601.76	974.39	1140.12
other current assets	35.70	49.59	109.67	63.57	87.80
Liabilities					
Total assets	27551.61	26836.02	30298.39	25058.16	21603.87
Long term borrowings	746.36	1130.21	1514.05	1907.16	2281.76
Other long term liabilities	2598.09	2246.64	2835.03	2845.43	736.88
Long term provisions	2748.56	3081.68	2587.51	3113.23	3260.06
Short term Borrowings	722.88	0.00	2821.10	3195.62	2807.07
Short term provisions	586.65	1235.09	948.00	955.38	669.66
Trade payables	7751.62	6749.96	6734.82	3815.02	4853.68
Other current liabilities	4798.72	5162.53	7823.50	5874.34	4518.30
Share capital	6921.92	6721.92	6696.92	6696.92	6531.92
Share Application money pending allotment	0.00	0.00	0.00	0.00	145.00
Reserve & surplus	676.81	507.99	(1662.54)	(3344.94)	(4200.46)
Total liabilities	27551.61	26836.02	30298.39	25058.16	21603.87

2.6.2 P& L EXTRACT (Rs. In Lakhs)

PROFIT AND LOSS ACCOUNT	2018-19 (Audited)	2017-18 (Audited)	2016-17 (Audited)	2015-16 (Audited)	2014-15 (Audited)
Total revenue (Net)	23922.45	22598.61	28,827.66	20,477.40	16,045.89
Total expenses (Excluding Depreciation)	22659.71	18524.74	24,849.04	18,474.03	14,706.39
Profit before interest, dep. & tax	1262.74	4073.87	3,978.62	2,003.37	1,339.50
Interest	403.47	696.55	644.57	667.90	531.99
Less Depreciation	447.82	411.53	452.36	398.80	359.94
Exceptional item (expense) / Income	0.00	-1506.90	-666.26	189.81	48.38
Prior period (expenses) / Income	-4.85	-121.27	-124.76	-5.97	0.50
Profit before tax	406.60	1337.62	2,090.67	1,120.51	496.45
Tax expense	237.78	-832.91	408.27	265.00	90.05
Current tax	90.00	432.00	469.00	265.00	90.05
Excess tax provisions no longer required	-252.02	0.00	-67.35	-	-
Earlier year tax	0.00	29.06	6.62	-	-
Deferred tax	399.80	-1293.97	-	-	-
Profit (Loss) for the year	168.82	2170.53	1,682.40	855.51	406.40

2.6.3 Contingent Liabilities (in Rs. Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
A. Contingent Liabilities		
a) Letter of credit (Bank holding Lien on FDRs of Rs. 3,12,01.922 (Rs. 2,98,81,965)	1026.05	574.13
b) Bank Guarantee (Bank holding Lien on FDRs of Rs. 18,12,169 (Rs. 17,09,922)	3,947.48	2250.54
c) Gratuity payable due to pay revision	7.02	7.02
d) Gratuity payable to Ex-employees	206.32	206.32
Sub Total A	5186.87	3038.01

2.6.4 Commitments (in Rs. Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
B. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	233.27	0.00
(b) Arrear payable to employee due to pay revision	1,906.00	1906.00
(c) Export Obligation	2544.77	2432.14
Total B	4684.04	4338.14

2.6.5 Claims not acknowledged as debts (in Rs. Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
C. Claims not acknowledged as debts		
Sales Tax/Trade Tax/VAT Liability	76.63	373.46
Income Tax liability	270.99	78.07
U.P. Power Corporation Ltd.	27.37	27.37
Department of Customs	162.62	-
Total C	451.26	427.00

2.7 SWOT ANALYSIS



SECTION 3: INVITATION OF EXPRESSION OF INTEREST

FOR PROPOSED STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING OF CEL HELD BY THE PRESIDENT OF INDIA

3.1 PROPOSED TRANSACTION

Broad terms of the Transaction

The Government of India, holding 100% of issued, subscribed and paid up equity share capital of CEL, has 'in-principle' decided to disinvest 100% of its shareholding (held by the President of India through Department of Scientific & Industrial Research (DSIR), Ministry of Science & technology) through Strategic Disinvestment with transfer of management control ("**Strategic Disinvestment**" or "**Transaction**").

The Government of India acting through Department of Investment & Public Asset Management (DIPAM) has engaged Resurgent India Limited as Transaction Advisor for providing advisory services and managing the disinvestment process.

The Selected Bidder will be required to lock in its shares for a period of 3 years during which it cannot undertake the sale of its stake in CEL.

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

Stage I:

Through this invitation of EoI, the Transaction Advisor is providing the interested bidders ("**IB's**") with instructions for submitting their EOIs to the Transaction Advisor, which would be used for prequalifying the IBs in accordance with Eligibility Criteria and Disqualification conditions detailed in this invitation of EoI. Only those IBs who prequalify in accordance with Eligibility Criteria and Disqualification conditions contained therein shall be allowed to participate in stage II subject to IB's execution of a Non-Disclosure Undertaking ("**NDU**").

Stage II:

Based on an evaluation of the EoIs submitted, IBs, if shortlisted, subject to execution of an NDU (in the format enclosed in Annexure 4), will be provided with request for proposal ("**RFP**"), a confidential information memorandum ("**CIM**") and access to data room, which shall provide further details of CEL and the Transaction in terms of the RFP. Thereafter, financial bids submitted by the shortlisted IBs as per the terms of the RFP shall be opened and evaluated as per procedure laid down by GOI. The IB shall be required to deposit earnest money at Stage-II, if required by GOI. The format, requisite earnest money deposit ("**EMD**") and other formalities related to the RFP will be communicated in due-course.

Contents of invitation to Eol

This invitation of Eol contains the following:

Section	Content
3.2	Eligibility Criteria for IB
3.3	Instruction For Submission of Eol
3.4	Conditions /Circumstances which may lead to Disqualification of IBs
Annexure: 1	Expression of Interest.
Annexure: 2	Statement of Legal Capacity.
Annexure: 3	Request for Qualification by Sole IB including each of the Consortium member, if applicable, along with supporting documents.
Annexure:4	Non-Disclosure Undertaking
Annexure: 5	Power of Attorney for Sole IB or Consortium of IBs.
Annexure: 6	Consortium Agreement, if applicable.
Annexure: 7	Declaration regarding legal proceedings by Sole IB and each Consortium member, if applicable.
Annexure: 8	Declaration regarding Confidentiality.
Annexure: 9	Affidavit for correctness of documents submitted in the EOI.
Annexure: 10	An undertaking for lock-in of share-holding by Sole IB.
Annexure: 11	An undertaking for lock-in of share-holding by Consortium, if applicable
Annexure: 12	DIPAM Guidelines for qualifications of Bidders
Annexure: 13	Criteria for Employees participation in the Transaction
Annexure: 14	Power of Attorney for Employees Participation.
Annexure: 15	DIPAM Guidelines for bidding by employees.

3.2 ELIGIBILITY CRITERIA

The eligibility criteria for the IBs are as follows:

- 3.2.1 Any private limited company or public limited company registered under Companies Act 1956 or 2013, Limited Liability Partnership (LLP) or SEBI registered Alternative Investment Fund (AIF) or a company incorporated outside India, which is eligible to invest in India under the laws of India (subject to such parties obtaining all statutory approvals from Gol/DIPP/RBI etc. by themselves) either as a sole IB or as part of a consortium. *Central Public Sector Undertakings (CPSEs) & central government owned Cooperative Societies (i.e. where government ownership is 51% or more are not eligible to participate in the Transaction. (DIPAM OM No: 4(32)/2002-MoDI dated 18.09.2002).*
- 3.2.2 Eols by management/employees of CEL directly or independently or in consortium or JV or as SPV along with a bank, venture capitalist or a financial institution will be considered in accordance with the guidelines issued by DIPAM as per Annexure 13, 14 & 15.
- 3.2.3 IB's should have a minimum Net Worth[§] of **Rs. 50[₹] Crore** as on 31st March 2019.
- 3.2.4 Eols by employees of CEL shall satisfy the minimum net worth criteria as specified in clause 3.2.3 for a single entity and as per clause 3.2.7 (a) in case of consortium, as the case may be. The net worth shall be assessed on the basis of practicing CA's certificate not older than 3 months from the date of invitation of Eol.
- 3.2.5 IBs shall be in existence for at least 3 financial years as on 31.03.2019.
- 3.2.6 **Conditions for bidding by Consortium**
- (a) Consortium of IBs ("**Consortium**") may also participate in the Transaction. The Consortium shall not have more than one (1) lead member (the "**Lead Member**"). The Lead Member of the Consortium should have minimum equity contribution of 51% and the minimum equity contribution by other IBs to qualify as a member of the Consortium should be at least 20%.

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

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

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

Net worth should be calculated on the basis of the audited financial statements of an IBs on 31st March 2019. In case the annual accounts of an IB for the financial year ending on 31st March 2019 are not audited then the IB shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth. For AIFs, a certificate Statutory Auditor certifying maximum permissible investment shall be submitted.

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

- (b) For a Consortium, the combined net worth of all the members of the Consortium should meet the minimum net worth criteria mentioned in clause **3.2.3** above and calculated as per clause 3.2.7 (c). The Lead member shall have minimum Net Worth of Rs. 26 crore and each member of Consortium shall have a minimum net worth of Rs. 10 Crores as on 31st March 2019
- (c) Net worth for the purpose in case of a consortium should be calculated as [(% equity contribution of member 1 * net worth of member 1) + (% equity contribution of member 2 * net worth of member 2) + (% equity contribution of member 3 * net worth of member 3)].
- (d) The shareholding of the members of the Consortium in the Investment Vehicle shall be same as the respective interest of members in Consortium.
- (e) In case a Consortium is shortlisted in EoI process and subsequently selected as the strategic investor, it shall be required to incorporate a company ("**Investment Vehicle**") that shall enter into definitive agreements.
- (f) All the members of Consortium will be required to lock in shares for the period of 3 years during which they cannot undertake the sale of their stake in Investment Vehicles.
- (g) Restriction on change in composition of Consortium:
 - (i) Any changes in the composition of the Consortium may be permitted only upto the stage of EOI Due Date after the EOI already submitted has been withdrawn and fresh EOI has been submitted upto the EOI Due Date. However, no change in the composition will be permitted after the last date of submission of EOI till the shortlisting of IBs.
 - (ii) If after short listing of IBs, a consortium IB desires a change in the consortium by inclusion/exclusion of members or if a non-consortium IB desires to form a consortium by inducting new member(s), it shall have to apply for such change to the Transaction Advisor. After obtaining approval from the Administrative Ministry/Administrative Department, TA shall qualify/disqualify such a consortium subject to the eligibility criteria and the following:
 - a. The change shall be permitted only once per consortium.
 - b. No change in Lead Member shall be allowed.
 - c. Jumping from one consortium to another shall not be permitted.
 - d. Request for such modification/ withdrawal/ substitution shall be entertained only before the financial bids are received by GoI. However, the last date for such request shall be specified in the Request For Proposal (RFP) document.

3.3 INSTRUCTION FOR SUBMISSION OF EOI

- 3.3.1** This invitation of Eoi along with annexures will be uploaded on the following websites: www.resurgentindia.com, www.dipam.gov.in, www.dsir.gov.in, www.celindia.co.in. Following receipt of invitation of Eoi, IBs are required to respond in the format as detailed in this invitation of Eoi along with payment of non-refundable fees of Rs. 5,00,000/- (Rupees five lacs only).
- 3.3.2** The non-refundable fees of Rs. 5,00,000/- shall be deposited by the IBs either by way of a demand draft or through electronic mode in the designated account as per the details given hereunder:
- (a) Name of the Account: Resurgent India Ltd.
 - (b) Account number: 50200026623672
 - (c) IFS code: HDFC0003634
 - (d) Name of the Bank: HDFC Bank
 - (e) Branch: Unitech Business Zone, Nirvana Country, Sector-50, Gurgaon-122018, Haryana
 - (f) Swift code: HDFCINBB
- 3.3.3** Subsequently, a site visit (cost of which will be borne by the IBs) may be scheduled to facilitate the shortlisted IBs in their assessment of CEL at the discretion of the GoI. The modalities related to the visit and due diligence will be communicated to the shortlisted IBs in due course.
- 3.3.4** The shortlisted IBs shall carry out their own due diligence, surveys, investigations, examination independent assessment and appraisal of CEL and the Transaction before submitting the Eoi. The GoI/CEL/Transaction Advisor or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto and shall not be liable in any manner whatsoever. The IBs shall bear all costs associated with the due diligence, preparation and submission of the EOI. CEL, GoI and Transaction Advisor shall not, under any circumstances be responsible or liable for any such costs, whether direct, incidental or consequential.
- 3.3.5** IBs shall have satisfied themselves of their queries before participating in the Transaction. GoI, Transaction Advisor and CEL reserve the right not to respond to questions raised or provide clarifications sought, in their sole discretion. Nothing in this document shall be taken or read as compelling or requiring the GoI, Transaction Advisor and/or CEL to respond to any question or to provide any clarification. No extension of any time and date referred to in this invitation of Eoi shall be granted on the basis or grounds that the GoI or Transaction Advisor or CEL have not responded to any question/ provided any clarification.
- 3.3.6** Details regarding the process post short-listing based on the Eois submitted will be subsequently shared with the IBs in the RFP.
- 3.3.7** EOIs are liable to be rejected by GoI/Transaction Advisor if IBs fail to meet the eligibility criteria as specified in section 3.2 'Eligibility Criteria' and/or are disqualified in accordance with the conditions specified in section 3.4 'Disqualifications' in this invitation of Eoi or for any other reason deemed fit, or even without communicating any reason whatsoever.
- 3.3.8** GoI reserves the right to withdraw from the Transaction, to accept or reject any or all Eois at any stage of the Transaction and/modify the process or any part thereof or to vary any terms at any time without communicating any reason whatsoever. In such an event no financial obligation whatsoever shall accrue

to Gol, the Company, the Transaction Advisor or any of their respective officers, employees, advisors or agents.

3.3.9 At any time prior to the EoI Due Date for submission of EoI, Gol may, for any reason, whether at its own initiative or in response to clarifications requested by any IP, modify the invitation of EoI by the issuance of addendum.

3.3.10 The Gol reserves the right to additionally seek any documents, information, indemnities, warranties, representations or performance obligations from the IBs or any of their related entities to Gol's sole satisfaction without any liability to the Transaction Advisor, Gol and CEL.

3.3.11 Format and Signing of EoI

The IB shall provide all the information sought in this invitation of EoI in the prescribed format. The Transaction Advisor will evaluate only those EoIs that are received in the required formats and complete in all respects.

The EoI shall be typed and signed in indelible blue ink by the authorized signatory of the IB. The IBs shall submit the EoI by mentioning the page number on each document and to be submitted in sequence specified in clause 3.3.12.

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

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

3.3.12 Documents comprising the EoI.

The IB shall submit the EoI in hard bound. The EoI must be signed by a duly authorized representative of the IB. The IB shall also be required to submit a Power of Attorney (in the form enclosed in Annexure 5) authorizing the signatory of the EoI to commit the IB.

The contents of EoI shall be as under

S. No	Documents
1.	Demand Draft or Proof of payment (in case of electronic payment) of Rs. 5,00,000/- (Rupees five lakh only) towards non-refundable fees
2.	Annexure: 1- Expression of Interest
3.	Annexure: 2- Statement of Legal capacity
4.	Annexure: 5- Power of Attorney for Sole IB or Consortium of IBs.
5.	Annexure: 6- Consortium Agreement, if applicable.
6.	Annexure: 7- Declaration for legal proceedings.
7.	Annexure: 8- Declaration for confidentiality.
8.	Annexure: 9- Affidavit for correctness of documents submitted in EOI.
9.	Annexure:10- An undertaking for lock-in of share-holding by Sole IB.
10.	Annexure: 11- An undertaking for lock-in of share-holding by Consortium IB.
11.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that [IB/each consortium member] is eligible to participate in the proposed Sale in terms of Clause _____ of its Memorandum and Articles of Association/ _____ (name of Document of Constitution as may be applicable). (specific provision may be reproduced in certificate).

12.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that [IB/each consortium member] is eligible to participate in the proposed Sale in terms of guidelines issued by DIPAM vide No. 3/9/2016-DD-II-B Dated: 28 th September, 2017
13.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, for shareholding pattern.
14.	Statutory auditor's certificate certifying the Net Worth as on 31 st March 2019 as defined in the Eligibility criteria along with a detailed calculation of the Net Worth. In case the annual accounts of an IB for the financial year ending 31 st March 2019 are not audited then the IB shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth along with Provisional Financials of 2019.
15.	An affidavit certifying the correctness of the documents submitted in the EOI.
16.	Annexure: 3- Request for Qualification by Sole IB including each of the Consortium member, if applicable, along with supporting documents.
17.	Audited financial statements and annual reports for the immediately five preceding financial years.
18.	A certified true copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business (if applicable).
19.	Annexure: 14- Power of Attorney for participating Employees, if applicable, including all the corresponding documents/annexures as per the criteria provided in Annexure 13.

3.3.13 Submission of Eoi

- (i). Two sets of all the documents listed in clause 3.3.12 should be submitted on or before the Eoi Due Date to the Transaction Advisor in two separate sealed envelopes in the following manner:

Envelope 1: Envelope 1 should contain all the originally signed documents (as listed in clause 3.3.12) and should be sealed and duly superscribed as **“Private and Confidential-Expression of Interest for proposed strategic disinvestment of 100% shareholding of Central Electronics Limited held by Gol-Original”**.

Envelope 2: Envelope 2 should contain a copy of all the originally signed documents (as listed at clause 3.3.12) and should be sealed and duly superscribed as **“Private and Confidential-Expression of Interest for proposed strategic disinvestment of 100% shareholding of Central Electronics Limited held by Gol -Copy”**.

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

Envelope 1 and Envelope 2 along with soft copy of documents contained therein shall then be placed in a third envelope (**“Envelope 3”**), which shall be sealed and duly superscribed as **“Private and Confidential-Expression of Interest for proposed strategic disinvestment of 100% shareholding of Central Electronics Limited held by Gol”** and shall clearly indicate the name and address of the IB. In addition, the Eoi Due Date should be indicated on the right hand top corner of Envelope 2.

- (ii). The envelope shall be addressed to the following officer and shall be physically submitted at the below mentioned address:

Akhilesh Raina
Associate Vice President
 Resurgent India Limited
 903-906 , 9th Floor, Tower-C,
 Unitech Business Zone, Sector-50,

Nirvana Country, Gurugram-122018, Haryana
 Tel: 0124-4754550
 Mob: + 91 8745050509
 Celdisinvestment@resurgentindia.com

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

3.3.14 Bidding schedule

Sl. No.	Event Description	Date
1.	Invitation of EoI (Advertisement)	3.02.2020
2.	Start date of receiving queries Through email: Celdisinvestment@resurgentindia.com	3.02.2020
3.	Last date for receiving queries Through email: Celdisinvestment@resurgentindia.com	17.02.2020
4.	Transaction Advisor's response to the queries latest by (To be uploaded on website in form of FAQs)	02.03.2020
5.	Last date of submission of EoI ("EoI Due Date")	16.03.2020 at 1100 hours
6.	Opening of EoI	16.03.2020 at 1500 hours

GoI, Company and the Transaction Advisor shall bear no responsibility for non-receipt of EoIs/any other correspondence sent by post/e-mail/courier/fax.

3.3.15 Approvals

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

3.3.16 Late EoIs

Submission of any EoI after the prescribed date and time at Clause 3.3.14 shall not be considered and the EoI shall be summarily rejected.

3.3.17 Substitution/ withdrawal of EoI

- a) The IB may substitute or withdraw its EOI after submission prior to the EOI Due Date. No EOI can be substituted or withdrawn by the IB on or after the EOI Due Date & Time.
- b) Restriction on change in composition of Consortium: Any changes in the composition of the Consortium may be permitted only upto the stage of EOI Due Date after the EOI already submitted has been withdrawn and fresh EOI has been submitted upto the EOI Due Date. However, no change in the composition will be permitted after the last date of submission of EOI till the shortlisting of IBs.

3.3.18 Continuing Requirements

The IB shall not only meet the eligibility criteria at the time of submission of EOI but shall continue to be eligible throughout the Transaction process. IB shall have the obligation to immediately notify the Transaction Advisor on its becoming ineligible any time during the process. In the event of any IB or the member of Consortium getting disqualified or not meeting the eligibility criteria, such IB or Consortium, as the case may be, shall not be permitted to continue with the bidding.

3.3.19 Evaluation of Eol.

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

3.3.20 Rejection of Eol

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

3.3.21 Validity of Eol

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

3.3.22 Confidentiality

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

3.3.23 The completed forms, "Annexures" of the Eol shall be considered as part of the contract documents in the case of successful bid.

3.3.24 All financial statements or data to be derived therefrom referred herein shall mean on a consolidated basis and where consolidated financial statements are not required to be prepared by the entity, such financial statements or data derived therefrom shall mean on a standalone basis.

3.3.25 The detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IB hereunder shall continue to have effect in addition to its obligations under the definitive agreements.

- 3.3.26** Any condition or qualification or any other stipulation contained in the invitation of EoI shall render the EoI liable to rejection as a non-responsive EoI.
- 3.3.27** The documents including this invitation of EoI and all attached documents are and shall remain or become the properties of the GoI and are transmitted to the IBs solely for the purpose of preparation and the submission of an EoI in accordance herewith. IBs shall not use such documents/information for any purpose other than for preparation and submission of their EoI.
- 3.3.28** A draft of the Non-Disclosure Undertaking (NDU) has been provided in Annexure 4. Shortlisted IBs shall be required to execute the NDU before they can be provided with CIM, access to data room and the RFP.
- 3.3.29** The IBs shall provide certificates, undertakings, Earnest Money Deposit (EMD) or such similar documents for such amounts and on such terms and conditions prior to submission of the financial bid in Stage II as may be informed by the GoI.
- 3.3.30** Unless otherwise specified, a certified true copy (duly verified by a notary) of the supporting documents shall be submitted.
- 3.3.31** The GoI, Company and the Transaction Advisor shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the invitation of EoI including any error or mistake therein or in any information or data given by the Transaction Advisor.
- 3.3.32** The GoI and the Transaction Advisor reserve the right to verify all statements, information and documents submitted by the IB in response to the EoI and the IB shall, when so required by the GoI/Transaction Advisor, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GoI/Transaction Advisor shall not relieve the IB of its obligations or liabilities hereunder nor will it affect any rights of the GoI/Transaction Advisor thereunder.
- 3.3.33** Disinvestment of entire shareholding in Company by GoI will be subject to applicable statutory and regulatory restrictions and approval requirements.
- 3.3.34** Governing Law / Jurisdiction: The Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Transaction shall be subject to the exclusive jurisdiction of the courts at New Delhi.

3.4 DISQUALIFICATIONS

- 3.4.1** The GoI/Transaction Advisor shall not consider for the purpose of qualification, any EoI which has been found to be incomplete in content or attachments or authenticity.
- 3.4.2** Without prejudice to any other rights or remedies available, the GoI / Transaction Advisor reserves the right to disqualify any IB and exclude its EoI from further consideration for any of the following reasons including without limitation;
- (a) Misrepresentation/false statement is made by the IB or any member of a Consortium in the EoI, at any stage of the Transaction, whether in the EoI, the financial bid, supporting documentation or otherwise and whether written or oral.
 - (b) If the EoI submitted by the IB/Consortiums is in any respect inconsistent with, or demonstrate any failure to comply with, the provisions of the invitation of EoI.
 - (c) Failure by IB / any Consortium member to provide necessary and sufficient information required to be provided in the EoI.
 - (d) Submission of EOI in respect of any IB/ Consortium, where such IB or member had already submitted an EOI or is a member of another Consortium, which has already submitted an EoI in which case, all such EOIs shall be rejected.
 - (e) The IBs/ any member of the Consortium not satisfying the eligibility and requisite qualification criteria specified in this invitation of EoI and hence not eligible.
 - (f) GoI is not satisfied with the sources of funds/ownership structure of the IB/Consortium.
 - (g) Failure by the IB/ any member of the Consortium to comply with any reasonable requests of the GoI and/or the Transaction Advisor in relation to the Transaction.
 - (h) If it is discovered at any time that an IB/ any member of the Consortium and/or its Promoters (defined hereinafter) are subjected to winding up/insolvency/bankruptcy or other proceedings of a similar nature.
 - (i) Any information regarding or in connection with the IB / any member of the Consortium which becomes known that is detrimental to the national security and/or public interest and/or national interest and/or Transaction and/or the interests of CEL and/or GoI.
 - (j) Initiation or existence of any legal proceedings, by or against the IB/ any member of the Consortium in respect of CEL, which proceeding may be prejudiced by the participation of the IB/Consortium in the selection process. For example, inspection by an IB of case files of the Company of matters filed against that IB.
 - (k) The IB or if the IB is a Consortium, then any member of such Consortium or their respective Promoters or parent companies or subsidiaries who do not satisfy the requirements of qualification or are disqualified under the Government of India office memorandum No. 3/9/2016-DoD-II-B dated: 28th September, 2017, (refer Annexure 12) as amended from time to time.

(l) Non fulfillment of any other condition as listed in the EoI including breach of Non-Disclosure Undertaking.

(m) In regard to matters relating to the national security and national integrity, any charge-sheet by any Governmental Authority / conviction by a court of law for an offence committed by the IB or any of the members of the IB in case of a Consortium or by any of their respective sister concerns or any of their promoters, promoter group and directors would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons. The term 'Promoter' shall have the same meaning as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the term 'promoter group' shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

"Governmental Authority" means (a) the government of India or the government of any state or other political subdivision thereof in India; (b) any other governmental or quasi-governmental or statutory or regulatory authority, agency, department, board, commission or instrumentality of India or of any state or political subdivision thereof including without limitation the Foreign Investment Promotion Board and the Reserve Bank of India; or (c) any court, tribunal, judicial or quasi-judicial authority of competent jurisdiction in India or any arbitration tribunal (including a sole arbitrator).

(n) Any condition or qualification or any other stipulation inserted by the IB/Consortium contained in the EOI shall render the EOI liable to rejection.

(o) IBs or promoters or promoter group or directors of such IBs/Consortium which are otherwise covered in section 3.2 (Eligibility Criteria) above but are:

- i. debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by any Governmental Authority;
- ii. appearing in the RBI list of Wilful Defaulters;

"Wilful Defaulter" means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

(p) If the IB/Consortium does not satisfy any of the requirements as may be issued by the GoI by way of notifications / issue of guidelines / circulars or such similar notifications from time to time including any conditions of disqualifications the EoI submitted by such IB/Consortium shall be disqualified.

(q) All entities that have been debarred/ banned/ blacklisted by any Governmental Authority, from time to time.

(r) IBs which are otherwise covered in section 3.2 (Eligibility Criteria) above but are:

- (i) Erstwhile OCBs which are incorporated outside India and are under the adverse notice of RBI;
- (ii) Prohibited or restricted from investing in CEL basis their status / sector in which CEL operates under the Foreign Exchange Management Act, 1999 or any regulations made thereunder and

including the provisions of the Consolidated FDI Policy. It being clarified that sectors where government approval is required will not be considered as 'restricted' from investing.

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

- (s) If IBs/ any member of the Consortium or any of their officers or employees, directly or indirectly, communicate with any officer/employee of DIPAM or DSIR or CEL either before or after submission of its EoI.
- (t) If IBs/ any member of the Consortium or any of their officers or employees, directly or indirectly, disclose the intent/willingness to participate as an Interested Bidder (IB) in EoI process to any officer/employee of DIPAM or DSIR or CEL at any time from the date of issue of this invitation of EoI.

3.4.3 If any information becomes known after the IB has been qualified to receive the CIM/access to data room and RFP, which information would have entitled the GoI /Transaction Advisor to reject or disqualify the EOI of relevant IP, the GoI /Transaction Advisor reserves the right to reject the IB at the time or at any time after such information becomes known to the GoI /Transaction Advisor. Where such party is a Consortium, GoI /Transaction Advisor may disqualify the entire Consortium, even if it applied to only one member of the Consortium.

3.4.4 If any of the members of the Consortium are disqualified, all the members of the Consortium shall automatically stand disqualified.

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

3.4.6 Any of the outstanding indebtedness of IB availed from either banks or financial institution being classified as 'non-performing asset' or any equivalent classification in the respective jurisdiction on the IB and includes all such indebtedness availed by any of the entities where the IB holds more than 50% in the share capital of such entity or any of the entities that hold more than 50% in the share capital of IB.

3.4.7 The GoI /Transaction Advisor determination that one or more of the events specified in Clauses 3.4.1, 3.4.2, 3.4.3, 3.4.4, 3.4.5 and 3.4.6 of section 3.4 (Disqualifications) has occurred shall be final and conclusive.

ANNEXURE 1: EXPRESSION OF INTEREST*(To be typed on the letterhead of the IB /Lead Member of Consortium submitting the EoI)*

Reference No. _____

Date _____

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

Sub: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 100% STAKE HELD BY GOVERNMENT OF INDIA IN CENTRAL ELECTRONICS LIMITED (“CEL”)

Sir,

This is with reference to the advertisement dated ***** (“**Advertisement**”) inviting Expression of Interest (“**EoI**”) for Sale of such number of shares held by the Government of India, representing one hundred percent (100%) of the paid up equity share capital of CEL, a company registered under the Companies Act, 1956 having its registered office at 781, D.B. Gupta Road, Karol Bagh, New Delhi-110005 India. (“**Strategic Disinvestment**”).

As specified in the advertisement, we have read and understood the contents of the Preliminary Information Memorandum (PIM) and the invitation of Expression of Interest (EoI) and are desirous of participating in the Strategic Disinvestment, and for this purpose confirm and undertake as follows:

1. We propose to submit our EOI in individual capacity as _____ (insert name of Interested Bidder)

OR[®]

We have formed/propose to form a consortium comprising of [____] members (“**Consortium**”) as follows:

- a. [●] holding [●] % shareholding in the Consortium;
- b. [●] holding [●] % shareholding in the Consortium; and
- c. [●] holding [●] % shareholding in the Consortium.

2. We understand that 100 % equity stake of CEL is proposed to be divested and we are interested in bidding for the same. We believe that we/our Consortium/proposed Consortium satisfy the eligibility criteria set out in relevant section of invitation of EOI including the guidelines for qualification of bidders seeking to acquire stake in Public Sector Enterprise through the process of disinvestment issued by GoI vide DIPAM OM No. 3/9/2016-DoD-II-B dated: 28th September, 2017. We certify that in regard to matters other than security and integrity of the country, we have not been convicted by a Court of law or indicted or adverse orders passed

[®] Strike off whichever is not applicable.

by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which relates to a grave offence that outrages the moral sense of the community.

3. We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government of India or convicted by a Court of law for any offence committed by us or by any of our sister concerns.
4. We further certify that no investigation by a regulatory authority is pending either against us or against our sister concerns or against our CEO or any of our directors/ managers/employees.
5. We undertake that in case due to any change in facts or circumstances during the pendency of the Disinvestment process, we are attracted by the provisions of the disqualifications in terms of the subject guidelines, we would intimate the Transaction Advisor immediately.
6. The statement of Legal Capacity and Request For Qualification as per formats indicated hereinafter, duly signed by us/respective members, who jointly satisfy the eligibility criteria, are enclosed.
7. We confirm and represent that we have the requisite corporate authorisations to submit the EOI.
8. We shall be glad to receive further communication on the subject.

Sincerely

_____ (Signature of Authorised Signatory for and on behalf of IB/Consortium)
_____ (Name of Authorised Signatory)
_____ (Designation of Authorised Signatory)
_____ (Name of the Interested Bidder)

Enclosure:

1. Statement of Legal Capacity
2. Request For Qualification

ANNEXURE 2: STATEMENT OF LEGAL CAPACITY

(To be typed on the letterhead of the IB /each member of consortium submitting the Eol)

Reference No. _____

Date _____

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

Sub: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR DISINVESTMENT OF 100% STAKE HELD BY GOVERNMENT OF INDIA IN CENTRAL ELECTRONICS LIMITED (“CEL”)

Sir,

This is with reference to the advertisement dated ***** (“**Advertisement**”) inviting Expression of Interest (“**Eol**”) for Sale of such number of shares held by the Government of India, representing one hundred percent (100%) of the paid up equity share capital of CEL, a company registered under the Companies Act, 1956 having its registered office at 781, D.B. Gupta Road, Karol Bagh, New Delhi-110005 India. (“**Strategic Disinvestment**”).

We have read and understood the contents of the Preliminary Information Memorandum (PIM) and the invitation of Expression of Interest (Eol) and pursuant to this hereby confirm that:

1. We satisfy the eligibility criteria laid out in invitation of EOI.

OR[®]

We, the members of Consortium (constitution of which has been described in the Expression of Interest), jointly satisfy the eligibility criteria as laid out in invitation of EOI and we have agreed that _____ (insert member’s name) will act as the Lead Member of the Consortium.

2. We/our Consortium/proposed Consortium have agreed that [●] (insert name and designation of individual) will act as our representative and has been duly authorised to submit the EOI (“**Representative**”). Further, the authorised signatory is vested with requisite powers to furnish such letter and Request for Qualification and authenticate the same.

Sincerely

_____ (Authorised Representative and Signatory for and on behalf of IB/Consortium)

_____ (Name of the Person)

_____ (Designation of Authorised Signatory)

_____ [®] Strike off whichever is not applicable.

ANNEXURE 3: FORMAT FOR REQUEST FOR QUALIFICATION

(To be typed on the letterhead of the IB submitting the EoI)
(To be submitted by IB/each member of the consortium)

Reference No. _____

Date _____

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

S. No.	Particulars	Details
1.	Name of the Interested Bidder/ Member of Consortium	
2.	Constitution i. Public Limited Company ii. Private Limited Company iii. Limited Liability Partnership (LLP) iv. SEBI Registered Alternate Investment Fund (AIF) v. Others	
3.	If the Interested Bidder is a foreign company, specify list of statutory approvals from GoI/ RBI/ DIPP applied for/ obtained/ awaited, if any	
4.	Memorandum and Articles of Association/Document of Constitution, as may be applicable to the Interested Bidder / member of Consortium	
5.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that Interested Bidder is eligible to participate in the proposed Sale in terms of Clause _____ of its Memorandum and Articles of Association/ _____ (name of Document of Constitution as may be applicable). (specific provision may be reproduced in certificate).	
6.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that Interested Bidder does not attract disqualification vide Office Memorandum No. 3/9/2016-DoD-II-B dated : 28th September, 2017 issued by DIPAM (Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment).	
7.	Basis of eligibility for participation in the process (please mention basis and attach supporting documents)	
8.	Details of Shareholding pattern of the IB including the details establishing ultimate beneficial owner of the IB as on EOI submission date.	
9.	Audited Annual Reports of immediately preceding five financial years (including audited financials with profit and loss statement, balance sheet and cash flow statement and the annual report).	

	In case the annual accounts of an IB for the financial year ending on 31 st March 2019 are not audited then the IB shall submit a certificate from Statutory Auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth Notes: i. In the case, the financial year of any IB is different than April to March every year; the net worth shall be calculated as on date the latest financial year of such IB ends.	
10.	Equity contribution of member in the Consortium (if applicable)	
11.	Nature of business/products dealt with	
12.	A profile containing information on company/Group's area of operations, capability of the IB, as demonstrated in its past track record, to run its own business.	
13.	List of board of directors along with an overview of the IB's senior management and organization structure including effective place of management of business of IB as on EOI submission date certified by the company secretary of the IB	
14.	Summary of the roles and responsibilities of the directors and key management personnel of the IB certified by the company secretary of the IB	
15.	Brief write up of the IB's of their international operations, joint ventures / alliances (whether international or domestic), nature and size of such operations, equity ownership along with copy of audited financial statements of immediately preceding financial year.	
16.	The names and addresses of those companies and the professional firms, if any, who are (or will be) advising the IB, together with the names of the principal individual advisors at those companies and firms.	
17.	Date & Place of incorporation	
18.	Date of commencement of business	
19.	Full address including phone No., fax No., email address and web address	
	i. Registered Office	
	ii. Head Office	
	iii. Branches	
20.	Detail of Contact Person	
	i. Name	
	ii. Designation	
	iii. Company	
	iv. Address	
	v. Telephone Number	
	vi. E-Mail Address	
vii. Fax Number		
21.	Salient features of financial performance for the last three years	
22.	Statutory auditor's certificate certifying the Net Worth as on 31st March 2019 as defined in the Eligibility criteria along with a detailed calculation of the Net Worth. In case the annual accounts of an IB for the financial year ending 31st March 2019 are not audited then the IB shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth along with Provisional Financials of 2019.	
23.	Statutory Auditor's certificate certifying the outstanding indebtedness of IB availed from either banks or financial institution being classified as 'non-performing asset' or any equivalent classification in the respective jurisdiction on the IB and includes all such	

	indebtedness availed by any of the entities where the IB holds more than 50% in the share capital of such entity or any of the entities that hold more than 50% in the share capital of IB	
24.	Please provide details of all contingent liabilities that, if materialised, would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the IB/ Consortium member, or other similar business combination or transaction.	
25.	A detailed statement showing contractual disputes and litigation/ arbitration in the recent past along with parties and amount involved in such disputes and litigation/ arbitration.	
26.	A statement showing pending litigations that, if decided against the IB, shall disqualify the IB in terms of prescribed eligibility criteria and extant Government instructions on disinvestment.	
27.	An affidavit certifying the correctness of documents submitted in the EOI.	

Sincerely

Authorised Signatory
For and on behalf of the (IB/Consortium)

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

ANNEXURE 4: NON DISCLOSURE UNDERTAKING

[ON RS. 200 STAMP PAPER]

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

BY

[●], a company incorporated under the Companies Act, [1956/2013] / Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008 having corporate identification number / LLP identification number [●] and having its registered office at [●] (the "**IB**");

IN FAVOUR OF:

The President of India, represented by and acting through the Ministry of Ministry of Science & Technology at Technology Bhavan, New Mehrauli Road, New Delhi, Delhi 110016 (India) (the "**Administrative Ministry**");

Central Electronics Limited, a company incorporated under the Companies Act, 1956, having its office at 781, D.B. Gupta Road, Karol Bagh, New Delhi-110005 India (the "**CEL**"), which expression shall unless repugnant or contrary to the context or meaning thereof include its successors and assigns; and

The Entities whose names and particulars listed in Schedule 1 (hereinafter referred to as "**Advisors**")

WHEREAS:

- A. The IB along with Consortium Members (as defined hereinafter), if any, has submitted an Expression of Interest for participation in the proposed Strategic Disinvestment by Government of India of 100 percent of the equity shares of the Company held by the Gol in CEL (the "**Transaction**") and has been shortlisted as a "Qualified Interested Bidder"; and
- B. In the context of the IB's interest in the Transaction, the Disclosing Party (as defined hereinafter) may disclose Confidential Information (as defined hereinafter) to the Receiving Party (as defined hereinafter) to enable the IB to evaluate the Transaction.

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

1. In this Undertaking (including the recitals);

"**Advisors**" means, collectively, Resurgent India Limited, M/s. L&L Partners Law Offices and M/s Protocol Insurance Surveyors & Loss Assessors Private Limited.

"Confidential Information" means and includes any and all facts, knowledge, information, documents and materials whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of CEL, its affiliates, associates or subsidiaries (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of CEL and new businesses (if any) proposed to be undertaken by CEL, market and company-specific data, agreements related to its business including know-how and technology agreements, agreements relating to licence to use intellectual property rights, graphs, drawing, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to CEL's operations prepared by external consultants which are proprietary to the CEL or the DSIR or the Administrative Ministry), and any information memorandum /or draft /final offer document, request for proposal, drafts of share purchase agreements or other materials prepared in connection with the Transaction, howsoever documented, that has been or may hereafter be provided or shown to the Receiving Party by the Disclosing Party or is otherwise obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party by the Receiving Party irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

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

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

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

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

"Consortium Members" means the members of any existing Consortium or future Consortium, formed by the IB for purposes of the Transaction and shall include members (i) who have submitted the Statement of Legal Capacity in the form specified in the "EoI Package" as described in the "Request for Expression of Interest" announcement by the Administrative Ministry for participation in disinvestment of CEL in respect of the Transaction as part of any existing consortium, or (ii) of a future consortium previously approved in writing by the Administrative Ministry; in each case formed by the IB for purposes of the Transaction.

"Disclosing Party" means the Advisors, CEL, the Administrative Ministry, the Government, other Governmental Authority and/or their respective Representatives, whether jointly or severally.

"Government" means the Government of India through the Department of Investment & Public Asset Management ("**DIPAM**").

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

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

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

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

2. The Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and the Receiving Party shall not, without CEL's as well as the Government's prior written consent or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the IB wishes to proceed with the Transaction and not for any purpose other than the Transaction and the Receiving Party will not directly or indirectly use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party.
4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the IB's execution of this Undertaking, the IB, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The IB agrees (a) to disclose Confidential Information only to Consortium Members and/or those of its Representatives and/or those Representatives of Consortium Members who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Consortium Member or

Representative of the IB or Representative of Consortium Member will be informed and advised in writing by the IB of the confidential nature of such information and the contents of and the obligations under this Undertaking and (b) to satisfy itself that each such Consortium Member and/or Representative of the IB and/or Representative of Consortium Member will hold and treat the Confidential Information in confidence and act in accordance therewith. The IB agrees that the Confidential Information shall not, without CEL's as well as the Government's prior written consent, be disclosed by the IB and/or each such Consortium Member and/or Representative of the IB and/or Representative of Consortium Member, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the IB or each such Consortium Member or Representative of the IB or Representative of Consortium Member other than in connection with an evaluation of the Transaction.

The IB recognises and acknowledges the competitive value and confidential nature of the Confidential Information and the possible resultant impact to CEL and the Government if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The IB acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The IB, before disclosing any of the Confidential Information to any Consortium Member(s), shall ensure that such Consortium Member(s), has already executed and furnished to the Advisors, a written undertaking identical in form and content as this Confidentiality Undertaking in favour of the Government, CEL and the Advisors. The IBs, before disclosing any of the Confidential Information to any of its Representative(s) and /or Representatives of the Consortium Members, as the case may be, shall ensure that its Representative(s) / Representatives of the Consortium Members, as the case may be, have read and understood this Undertaking and have agreed in writing to be bound by the terms and conditions contained herein. The IB shall ensure that in case of a new Consortium Member, a written undertaking identical in form and content as this Confidentiality Undertaking, shall be executed and furnished to the Advisors within 7 (seven) days of it becoming a Consortium Member.

Notwithstanding any agreement or undertaking, the IB agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any Consortium Member and/or Representative of the IB and/or the Representative of Consortium Member and shall indemnify and hold the Government, CEL, and the Advisors harmless (including provisions of clause 6 and 14 set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom. In case of Consortium, the IB agrees that for the purpose of this Confidentiality Undertaking, the liability of the IB shall be joint and several with each of the Consortium Members.

5. Except as permitted by Clause 4 herein and except as expressly permitted by a definitive share purchase agreement, if any, entered into by the IB, the Consortium Members and/or any company formed and promoted by them for the acquisition of equity shares of CEL, the Receiving Party will not directly or indirectly disclose to any Person (including another prospective purchaser who has been provided Confidential Information) the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party have inspected any portion of the Confidential Information. Except with the prior written consent of CEL and the Government, and except as expressly permitted by such definitive share purchase

agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.

6. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable law, and the IB hereby jointly and severally indemnifies and agrees to hold the Advisors, the Government and CEL indemnified and harmless (without prejudice to Clause 14 set forth below) against all and any consequences arising from any violation by the Receiving Party of such applicable laws.
7. If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Government Authority and/or regulatory body (including any self-regulated organisation) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Advisors, the Government and CEL with prompt written notice of such request so that the Advisors, the Government or CEL may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the IB's legal counsel (reasonably acceptable to the Advisors, the Government and CEL), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
8. The confidentiality obligations contained in this Undertaking may at the discretion of the Government, CEL and the Advisors, be amended, modified or superseded upon the IB and the Consortium Members and/or any company formed and promoted by them executing definitive agreements, but shall be without prejudice to any of the Advisors', the Government's or CEL's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.

The IB agrees that the Government reserves the right, in its sole discretion to modify the process of the Transaction in any part and/or to vary any terms at any time without prior notice to the IB and/or to reject any or all proposals made by the IB with regard to the Transaction.

9. The Government and/or CEL may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with its evaluation of the Transaction. After any such termination by the Government and/or CEL, or after the decision of the IB to not proceed with the Transaction as specified in Clause 8 above, (i) the IB (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies and summaries thereof in the possession or under the control of the Receiving Party, and (b) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material or (ii) alternatively, if the Advisors, the Government or CEL request or give prior written consent to the IB's request, the IB will destroy or cause to be destroyed all Confidential Information in the possession or under the control of the Receiving Party. Any such

destruction pursuant to the foregoing must be confirmed by the IB in writing to each of the Advisors, the Government and CEL (such confirmation must include a list of the destroyed materials). The IB acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information pursuant to termination or otherwise shall not release the Receiving Party from its obligations under this Undertaking.

10. The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of the Government or CEL regarding the business, operations, prospects or finances of CEL, without the Advisors' prior written consent, unless otherwise agreed to in an executed share purchase agreement entered into in connection with the purchase by the IB and the Consortium Members and/or any company formed and promoted by them, of equity shares of CEL. It is understood that the Advisors will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Advisors in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Advisors. However, if the Receiving Party is called upon by the Government and/or CEL for any discussions, the Receiving Party will do so or meet the Government and/or CEL only after duly informing the Advisors in writing.
11. The Government reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without limiting the preceding sentence, nothing in this Undertaking (i) requires either the IB or the Government to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisors, the Government or CEL to enter into an agreement or an understanding, or prohibits the Advisors, the Government or CEL from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
12. For a period of 1 (one) year from the date of this Undertaking or till the completion of the Transaction, whichever is later, the Receiving Party shall not, directly or indirectly, solicit for employment or hire any employee of CEL.
13. The IB understands, acknowledges and agrees that the Government, the Advisors and CEL retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the IB's use of the Confidential Information. The IB also agrees that if it determines to proceed with the Transaction, its determination will be solely based on the terms of the definitive agreements as well as on its own investigation, analysis and assessment of its investment. Moreover, unless and until such agreements are entered into, neither the Government nor the IB will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.

14. The IB hereby indemnifies and agrees to hold the Advisors, the Government and CEL indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the IB also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, the Government or CEL will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisors, the Government and/or CEL.
15. The IB understands, acknowledges, confirms and agrees that each of the Government, CEL and the Advisors are beneficiaries under this Undertaking. The IB further agrees and confirms that each of the Government, CEL and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
16. The IB agrees that no failure or delay by the Advisors/the Government / CEL in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
17. The terms of this Undertaking may be varied only with CEL's and the Government's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
18. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
19. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered airmail, postage prepaid, or by telex, cable or facsimiles as follows.

If the notice is to the Transaction Advisor, to:

Designated Official
Resurgent India Limited
903-906, Unitech Business Zone, Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana – 122018
P +91-124-4754550
Email: akhilesh.raina@resurgentindia.com

With a copy to:

Designated Official
Central Electronics Limited,
781, D.B. Gupta Road, Karol Bagh, New Delhi-110005 India

AND

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

If the notice is to CEL, to:

Designated Official of CEL, at the address given hereinabove

With a copy to:

Designated Official of DIPAM at the address given hereinabove

AND

Designated Official of Transaction Advisor at the address given hereinabove

If the notice is to the DIPAM, Ministry of Finance, Government of India, to:

Designated Official of DIPAM, at the address given hereinabove

With a copy to:

Designated Official of CEL, at the address given hereinabove

AND

Designated Official of Transaction Advisor at the address given hereinabove

If the notice is to the IB:

Name:

Designation:

Organisation name and address:

Tel no.

fax no.:

E-mail address:

Any of the IB, the Government, CEL or the Advisors may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by registered airmail or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by e-mail, telex, cable or facsimile whichever shall first occur.

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

Witnessed by: (Name of IB)

Name: By:

Address: Name:

Title:

Schedule 1

S. No	Name	Advisor Role
1.	Resurgent India Limited	Transaction Advisor
2.	L&L Partners Law Offices	Legal Advisor
3.	Protocol Insurance Surveyors & Loss Assessors Private Limited	Asset Valuer

ANNEXURE 5: POWER OF ATTORNEY-SOLE IB/CONSORTIUM

Power of Attorney for signing of EoI

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

To all to whom these presents shall come, We..... (name of the entity) having our registered office at _____ (address of the registered office) do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at, who is presently employed with us/ the Lead Member of our Consortium and holding the position of, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of shares held by Government of India representing 100% of the paid-up equity share capital of Central Electronics Limited ("CEL") including but not limited to signing and submission of all applications, participate in Pre-Bid and other conferences and providing information/ responses to GoI/Transaction Advisor and generally dealing with TransactionAdvisor/CEL/GoI in all matters in connection with or relating to or arising out of our application for qualification for the Transaction (as defined in the invitation of EoI dated **) issued by Resurgent India Limited.

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

All the terms used herein but defined shall have the meaning ascribed to such terms in the invitation of EoI.

We confirm and declare that we have not executed any other power of attorney in favour of any other person(s) in relation to the subject matter of this power of attorney and this power of attorney is irrevocable.

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

.....

(Signature, name, designation and address)

In the presence of:

1.

2.

Accepted

Name, Title and Address of the Attorney)

(To be duly notarized)

Notes:

- 1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized. The Non Judicial Stamp Paper shall be of the place where the POA is being executed and notarization shall be at the place where the POA is being executed. Stamp Duty to be paid shall be as per the requirement of applicable law including the stamping requirements in the state where it is being executed. For eg: the stamp duty payable on a POA in Delhi is Rs. 50.*
- 2. The IB should submit for verification, the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the IB.*
- 3. For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by IBs from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.*

ANNEXURE 6: FORMAT FOR CONSORTIUM AGREEMENT

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

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

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

for the purpose of submitting response to Advertisement dated XXX inviting Expression of Interest for strategic disinvestment of 100% equity shareholding of the Government of India in Central Electronics Limited ("**CEL**"), which is equivalent to 100% of the total paid up equity share capital of CEL.

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

WHEREAS, Gol had invited EoI via advertisement dated XXX;

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

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

NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:

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

1. We, the Members of the Consortium and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s _____), shall act as the Lead Member as defined in the EoI for self and on behalf of Member-2, _____, Member-3 and to submit the EoI;
2. We have formed consortium comprising of ____ members as follows:
 1. _____(Insert name)/% of Shareholding in the Consortium
 2. _____(Insert name)/% of Shareholding in the Consortium
 3. _____(Insert name)/% of Shareholding in the Consortium
3. We undertake that after the submission of the EoI, the composition of the Consortium shall be maintained for a period of 3 (three) years, if it is shortlisted as the successful IB.
4. The Lead Member is hereby authorized by the Members of the Consortium and Members to the Agreement to bind the Consortium and receive instructions for and on their behalf.
5. The Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members of the Consortium in discharging all of their respective obligations. It is clarified that each Member shall be individually liable for the performance of its part of the obligations without in any way limiting the scope of collective liability envisaged in this Agreement.
6. The Lead Member, on behalf of the Consortium, shall inter alia be responsible for liaising with any authority or persons as required.
7. In case of any breach of commitment by any of the Consortium Members, the Lead Member shall be liable for the consequences thereof.
8. Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Lead Member under these presents.
9. The Lead Member shall be liable irrespective of its scope of work or financial commitments.
10. This Agreement shall be construed and interpreted in accordance with the laws of India and courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto and arising thereunder.
11. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid until the expiration or early revocation/termination of the terms thereof, unless expressly agreed to the contrary by GoI.
12. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in EoI.

13. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under the EoI except with prior written consent of GoI.

14. This Agreement

- (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
- (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and
- (iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of GoI.

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

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

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

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:
Address:

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

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

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:

Address:

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

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

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

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

ANNEXURE 7: DECLARATION

(To be forwarded on the letter head of the sole IB /each member of the Consortium submitting the EoI)

DECLARATION

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

Grave offence for this purpose shall be an offence which is of such nature that outrages the moral sense of the community and shall include

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

(Name and signature of Authorized Signatory)

(IBs' name)

(IBs' Address)

In case any IB is unable to give above undertaking in view of any conviction, indictment, order or investigation as above full details of the same shall be provided including names of persons involved, designation, charge/offence, ordering/investigating agency, status/outcome etc. with supporting/relevant documents. Any entity, which is disqualified from participating in the Transaction, shall not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification. Please also refer to Annexure 12.

ANNEXURE 8: DECLARATION

(To be forwarded on the letterhead of the sole IB /each member of the Consortium submitting the EoI)

DECLARATION

1. We solemnly declare and undertake not to, directly or indirectly, communicate with any officer/employee of DIPAM or DSIR or CEL either before or after submission of our EoI.*
2. We further declare that we shall not, directly or indirectly, disclose our intent/willingness to participate as an Interested Bidder (IB) in EoI process to any officer/employee of DIPAM or DSIR or CEL at any time from the date of issue of this EoI.*

(Name and signature of Authorised Signatory)

(IBs' name)

(IBs' Address)

*Not applicable in case of Employee bid to the extent of communication with the participating employees of CEL.

ANNEXURE 9: AFFIDAVIT FOR CERTIFICATION OF DOCUMENTS

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

AFFIDAVIT

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

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

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

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

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

Before me

(Signature of Deponent)

Name, Designation & Address of Deponent

[particulars of notarisation]

Name, Designation & Address

ANNEXURE 10: UNDERTAKING

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

1. We solemnly declare and undertake to lock-in our entire shareholding in the Company that we may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.
2. We further declare and undertake not to dilute our shareholding below 51% that we may acquire pursuant to the Transaction and shall retain control in the Company for a period of 3 (three) years from the date of completion of the Transaction.
3. We further declare and undertake that we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis for a period of 3 (three) years from the date of the completion of the Transaction
4. We further declare that we shall not sell, transfer, lease or otherwise dispose off any land or building appurtenant thereto, that is owned/ held on long term lease basis by the Company, for a period of 3 (three) years from the date of completion of the Transaction.

(Name and signature of Authorised Signatory)

(IBs' name)

(IBs' Address)

ANNEXURE 11: UNDERTAKING

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

1. We undertake to lock-in entire shareholding in Central Electronics Limited (“CEL”) that Investment Vehicle, duly incorporated by the Consortium, may acquire pursuant to the Transaction for a period of 3 (three) years from the date of completion of the Transaction.
2. We undertake that we shall not change or alter our stake in the Investment Vehicle, duly incorporated by the Consortium, for a period of 3 (three) years from the date of the completion of the Transaction.
3. We undertake not to dilute shareholding in CEL below 51% that the Investment Vehicle may acquire pursuant to the Transaction and undertake that the Investment Vehicle shall retain control of CEL for a period of 3 (three) years from the date of completion of the Transaction.
4. We further declare and undertake that we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis for a period of 3 (three) years from the date of the completion of the Transaction.
5. We further declare that we shall not sell, transfer, lease or otherwise dispose off any land and building appurtenant thereto, that is owned/ held on long term lease basis by CEL, for a period of 3 (three) years from the date of completion of the Transaction.

(Name and signature of Authorised Signatory)

(IBs' name)

(IBs' Address)

**ANNEXURE 12: DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT (DIPAM)
GUIDELINES**

No. 3/9/2016-DoD-II-B
Government of India
Department of Investment & Public Asset Management
Block 14, CGO Complex
New Delhi.

Dated: 28th September, 2017

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

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

- (a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment/ adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. 'Grave offence' is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government. 'Grave Offence' would include the below noted cases:
- a. Only those orders of SEBI are to be treated as coming under the category of 'Grave Offences' which directly relate to 'Fraud' as defined in the SEBI Act and / or regulations.
 - b. Only those orders of SEBI that cast a doubt on the ability of the bidder to manage the public-sector unit, when it is disinvested, are to be treated as adverse.
 - c. Any conviction by Court of Law.
 - d. In cases in which SEBI also passes a prosecution order, disqualification of the bidder should arise only on conviction by the Court of Law.
- (b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government/ conviction by a Court of Law for an offence committed by the bidding party or its Associate Company as defined in Companies Act, 2013 would result in disqualification. The decision in regard to the

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

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

sd/-

(Aseem kumar Jha)

Under Secretary to the Government of India

ANNEXURE 13: CRITERIA FOR EMPLOYEES PARTICIPATION IN THE TRANSACTION

As per the Circular No. 4/38/2002/DD-II dated April 25, 2003 (“Employee Guidelines”) which is annexed as Annexure 15, employees of CEL (“Employees”) are permitted to participate in the Transaction as IBs either (a) directly and independently (“Direct Employee Participation”) or (b) by forming of a consortium (“Employee Consortium”) and subject to the following:

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

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN/TAN
(1)	(2)	(3)	(4)	(5)	(6)	(7)

8. Each form and EOI submitted by Employees (whether as Direct Employee Participation or Employee Consortium) shall be accompanied by a duly executed Power of Attorney where Employees forming part of such participation shall appoint one participating Employee to be their lawful attorney for submission of EOI and connected documents and be the lawful attorney of the other participating Employee. The format of the Power of Attorney is annexed as Annexure 14.

ANNEXURE 14: POWER OF ATTORNEY FOR EMPLOYEES PARTICIPATION

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

Special Power of Attorney

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

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

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

All the terms used but not defined herein shall have the meaning ascribed to such terms in the invitation of EoI.

We confirm and declare that we have not executed any other power of attorney in favour of any other person(s) in relation to the subject matter of this power of attorney and this power of attorney is irrevocable.

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

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

In the presence of:

- 1.
- 2.

Accepted
Name, Title and Address of the Attorney)

(To be duly notarized)

Notes:

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

ANNEXURE 15: DIPAM GUIDELINES FOR EMPLOYEES BID

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

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

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

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

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

sd/-
(T.S. Krishnamachari)
Deputy Secretary to the Government of India