F.No.3/2/2018-DIPAM-II (A)
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT & PUBLIC ASSET MANAGEMENT
(DIPAM)

Room No.202, 2nd Floor,
Block No.11&14, CGO Complex,
Lodhi Road, New Delhi-110 003.
Dated the 20th November, 2020.

Subject:- Corrigendum (No.1) - Request for Proposal (RFP) for engagement of Asset Valuer for Strategic Disinvestment of Ferro Scrap Nigam Limited (FSNL)-a 100% subsidiary of MSTC Ltd.-under administrative control of Ministry of Steel.

Kindly refer to this Departments Letter No.3/2/2018-DIPAM-II (A) dated 4th November, 2020 containing Request for Proposal (RFP) document for engagement of Asset Valuer for Strategic Disinvestment of Ferro Scrap Nigam Limited (FSNL) - a 100% subsidiary of MSTC Ltd.-under administrative control of Ministry of Steel **published on CPP Portal on 04.11.2020 vide Tender ID No.2020_DIPAM_594851_1.**

2. Following provisions of RFP Document have been modified/inserted through this corrigendum notice:

Clause of / Annexure to RFP Document	Existing provision in RFP/Annexure to RFP	Corrected / modified provision
Para-3.2 (v) of RFP Document	Any other Assets (including the intangibles assets), which the Valuer in their own professional judgment consider worth indicating. Replacement Value and Realizable Value for the above assets must be shown separately. If in the opinion of the valuer, certain Assets are likely to realize only scrap value, the same should be clearly indicated with suitable justifications for the same.	Any other Assets (including the intangibles assets), which the Valuer in their own professional judgment consider worth indicating. **Market Value for the above assets must be shown separately.** If in the opinion of the valuer, certain Assets are likely to realize only scrap value, the same should be clearly indicated with suitable justifications for the same.
Para-4.1 of RFP Document	The interested party should have minimum average annual turnover of Rs.5 Crore	The interested party should have minimum average annual turnover of Rs.5 Crore

20/11

	(Rupees Five Crore Only) in three previous financial years.	(Rupees Five Crore Only) in three previous financial years **from valuation business.**
Para-5.1 [Point-A (i)] of RFP Document	Profile of the organization and details of domestic/ international assignments, indicating understanding of asset valuation in Financial Services Sector, if any.	Profile of the organization and details of domestic/ international assignments, indicating understanding of asset valuation in **Steel** Sector, if any.
Para-9.1 of RFP Document	The Bidder is required to quote a fixed lump-sum fee in INR (in cover-3 online) for the transaction. The fee quoted by the Bidder should be inclusive of all the applicable taxes, cess, duties, GST etc.	The Bidder is required to quote a fixed lump-sum fee in INR (in cover-3 online) for the transaction. The fee quoted by the Bidder should be inclusive of all the applicable **expenses and duties etc. but excluding GST.**

3. The clarifications/responses to pre-bid queries is attached herewith at Annex.-I.

20/11/2020

(Rajesh Kumar Singh)
Under Secretary to the Government of India,
Tele: 011-2436 853

Annexure-I

F.No.3/2/2018-DIPAM-II-(A)

CPP Tender ID: 2020_DIPAM_594851_1
Date of Publication on CPP Portal: 04.11.2020
Date of pre-bid meeting: 13.11.2020

RESPONSES TO THE QUERIES OF INTERESTED BIDDERS

Engagement of **Asset Valuer (AV)** for strategic disinvestment of Ferro Scrap Nigam Ltd. (FSNL) – 100% subsidiary of MSTC Ltd. – under administrative control of Ministry of Steel.

S. No.	Content of Tender documents with reference	Query raised by IB	Response/clarification of DIPAM
1.	Para-4.1 of RFP Document	We are a valuation firm from Kolkata and are keen to participate in this tender. We are registered MSME having Udyog Aadhar and we qualify in all the points as eligibility criteria 4.1 except the turnover clause under Point No.4.3 **i.e. should have monthly turnover of Rs.5 crore**. In the whole tender there is no mention of MSME and about their participation as well as Govt. notification for Atma Nirvar Bharat and empanelment for MSMEs. As per the MSME act 2006 and 2012 notification MSMEs are exempted from EMD which has not been covered in this tender. Please be informed that recently the Govt. of India has launched Gem portal and many MSMEs like us have enrolled for the same however this tender has been so far outside the purview of Gem portal. Kindly be informed that the turnover clause cannot be qualification criteria in quality work and so many organizations like ours should have full eligibility mainly MSME and it will however be eliminated due to the turnover restrictions. Hence request kindly look into the turnover restrictions and comply with the Govt. notifications to the MSMEs procurement and oblige.	It being a specialised consultancy tender based on QCBS norms, relaxation of turnover criterion is not tenable. However, MSEs have been allowed exemption in EMD for participation in bid as per extant instructions. **Further, it may be noted that turnover requirement is minimum average annual turnover in previous 3 financial years and not monthly turnover.**

2.	Clause 3.2 (iv) (a) of RFP Document **(Page No.7)** Receivables	I. We understand that the valuation is to be carried out of tangible fixed assets. Kindly confirm whether receivables are also to be considered for this valuation as this would be captured by the Transaction Advisor while doing the Business Valuation.	Valuations of the receivables are to be carried out by TA while doing the Business Valuation while the AV will carry out valuation of the tangible fixed assets and intangible (including under development) assets as per the books.
	Clause 3.2 (v) of RFP Document **(Page No.8)** Any other Assets (including the intangibles assets), which the Valuer in their own professional judgment consider worth indicating. Replacement Value and Realizable Value for the above assets must be shown separately. If in the opinion of the valuer, certain Assets are likely to realize only scrap value, the same should be clearly indicated with suitable justifications for the same.	II It mentions that the asset valuer is required to provide the Replacement Value and Realizable Value for the assets. There might be certain assets which would be valued by market approach based on the similar assets being traded in the market and in such cases the Replacement Value would not be required to be ascertained by the valuer. Further, the valuation shall be carried out by adopting the International Valuation Standards and IVS does not have any basis/premise of Realizable Value. How the Replacement Value and Realizable Value are material in carrying out the market value of the assets for disinvestment.	Clause 3.2 (v) of RFP Document **(Page No.8)** Any other Assets (including the intangibles assets), which the Valuer in their own professional judgment consider worth indicating. Market value for the above assets must be shown separately. If in the opinion of the valuer, certain Assets are likely to realize only scrap value, the same should be clearly indicated with suitable justifications for the same.
	Clause 3.3 of RFP Document (Page No.8) All the assets are to be valued separately, keeping in view the restriction on their use for the existing business operations only.	III We understand that all assets are to be valued considering the current use only as the premise. Kindly confirm.	Please read the clause 3.3 of RFP

	Clause 5.1 (A) of RFP Document (Page No.9) Profile of the organization and details of domestic/international assignments, indicating understanding of asset valuation in Financial Services Sector, if any.	IV PROPOSAL FORMAT & TECHNICAL EVALUATION CRITERIA: Point A: It requires understanding of the asset valuation in Financial Services Sector. Why an understanding in financial services sector would be required for this assignment.	Clause 5.1 (A) of RFP Document (Page No.9) Profile of the organization and details of domestic/ international assignments, indicating understanding of asset valuation in Steel Sector, if any.
	Clause 10.2 (ii) of RFP Document (Page No.13) 60 % of the fee quoted to be paid after the acceptance of Final Report by the Government;	V We understand that 60% of the payment shall be paid upon the submission of the Final Report in a sealed cover to the Government as the Final Report shall be required to be submitted in a sealed cover.	Fee shall be payable after acceptance of the Final Report by the IMG/Government.
	Clause 10.2 (ii) of RFP Document (Page No.13) 60 % of the fee quoted to be paid after the acceptance of Final Report by the Government;	VI. As per clause 3.1.1 (i), the valuer has to prepare a Draft Valuation Report and making detailed presentation to DIPAM. Since 100% work would have been done while preparing the draft report by asset valuer, the one more milestone on payment terms to be introduced as "30 % of the fee quoted to be paid upon submission of draft report".	The provision already exists in Para-10.2 (i) for payment of 20% of quoted fee after submission of inception report.
	Clause 9.1 of RFP Document (Page No.12/25) The Bidder is required to quote a fixed lump-sum fee in INR (in cover-3 online) for the transaction. The fee quoted by the Bidder should be inclusive of all the applicable taxes, cess, duties, GST etc. Annexure V Sr. No. 1: Fixed	VII Clause on exclusion & inclusion of GST in professional fees is conflicting on page no. 25 & page no. 12 Clause 9.1. Kindly clarify	The lump sum fee quoted by the bidders shall be inclusive of all expenses and duties etc. but would be excluding GST.

	Lump-Sum Fee in Indian Rupees excluding GST.		
	Clause 4.1 of RFP Document (Page No.9) The interested party should have minimum average annual turnover of Rs.5 Crore (Rupees Five Crore Only) in three previous financial years.	VIII We suggest to modify the language as "The interested party should have minimum average annual turnover of Rs. 5 Crore (Rupees Five Crore Only) in three previous financial years from Valuation business."	Suggestion is accepted.
	General Query	IX. The details of location of assets to be valued.	FSNL Bhawan, Equipment Chowk, Central Avenue, Bhilai-490001 (Chattisgarh) ; (Inside Rourkela steel Plant), Rourkela- 769011 (ODISHA); (Inside Rashtriya Ispat Nigam Limited), Visakhapatnam -530031 (A.P.); (Inside Bokaro Steel Plant), Bokaro Steel City, Bokaro - 827001 (Jharkhand); (Inside SAIL IISCO Steel Plant), Burnpur - 713325 (W.B.); (Inside Durgapur Steel Plant), Dist:- Burdwan, Durgapur - 713203 (W.B.); SMS Office, Building (First Floor), CFFP, BHEL Ranipur, Haridwar- 249403 (Uttarakhand); (Inside Salem Steel Plant), Near Caster House SMS-SSP, Salem- 636013 (Tamilnadu); (Inside Neelachal Ispat Nigam Limited, Duburi Project), Jajpur Road, Distt.- Jajpur PIN-755019 (ODISHA); 19th Floor, Scope Minar North Tower CORE - 2, Laxmi Nagar District Centre, Delhi - 110092; (Inside Mishra Dhatu Nigam Limited), Post - Kanchanbagh Hyderabad-500058; (Inside Bhilai Steel Plant) Bhilai - 490001 (C.G); (inside Arecelor Mittal Nippon Steel India Limited) AM/NS Hazira Plant 27th Kms Surat-Hazira Road, Hazira-394270 (Gujarat).

*****