Date: March 15, 2021

STRATEGIC DISINVESTMENT OF NEELACHAL ISPAT NIGAM LIMITED

GLOBAL INVITATION FOR EXPRESSION OF INTEREST (EOI) FOR PROPOSED STRATEGIC DISINVESTMENT OF NEELACHAL ISPAT NIGAM LIMITED (NINL) BY GOVERNMENT OF INDIA (GoI)

IMPORTANT NOTICE

Responses to Queries of Interested Bidders

This has reference to the Advertisement and Preliminary Information Memorandum issued on January 25, 2021 for inviting Expressions of Interest from Interested Bidders for strategic divestment of NINL along with transfer of management and control through a single transaction by Government of India uploaded on websites of DIPAM at www.dipam.gov.in, MMTC Limited at www.mmtclimited.com, Company at www.ninl.in and Transaction Advisor at www.sbicaps.com. In response to these pre-bid queries were received by due date of 25th February 2021. The response of queries is as under:

PART A –PRELIMINARY INFORMATION MEMORANDUM

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part A	Clarification/ Additional Information required	Rationale for clarification or additional information required	
A.	**Audited Financials & Other Queries on Asset & Liability Position (including banks liabilities)**			
1.	Clause 2.5 & Clause 4	Financial Overview - Please provide the audited financial information for	This section in the PIM states that FY20 accounts of NINL are not yet audited. Please clarify the status	NINL's FY20 unaudited accounts signed by the Board of Directors is uploaded. Audited FY20 financials

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		FY20 and the latest unaudited financial information for FY21	specifically concerning liabilities / commitments due to MMTC. Please also confirm when the accounts would be audited and made available. Please also clarify if any accounts are available for FY 21.	will be uploaded to VDR once the CAG audit is completed. Key outstanding liability position as on 31.12.2020 is being annexed as part of this document.
2.	Clause 3.9	Please provide further details of (i) any wages due; (ii) the current status of the plant; (iii) costs being incurred after shut down and steps taken for the preservation of the plant; and (iv) how these costs are being paid by NINL.	To understand any labour issues and other costs which may have arisen due to the shutdown, and any steps taken for preservation of the plant.	Key outstanding liability position, including wages, as on 31.12.2020 is being annexed as part of this document. As informed by NINL, with a view to safe shut down & provision to restart the Coke Oven early , all the ovens are filled up with coking coal and the estimated expenditure to restart shall be around Rs. 100 Crs. Regarding Blast Furnace, a long term shut down has been undertaken in a planned manner which can be restarted at any point of time. All other auxiliary units/equipment for restarting of furnace are in running condition for which periodical maintenance and trial run are being taken up. The expenditure for maintenance of

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				equipment is met from internal accrual. IB is required to undertake their due diligence regarding status of plant to their own satisfaction. The transaction structure for current disinvestment is based on Enterprise Value and envisages payment of wages dues upfront as part of pre-defined waterfall mechanism as stated in Part B Clause 3.1 (C). Further information regarding the specific queries would be made available to shortlisted bidders through VDR for purpose of due diligence in Stage II of the transaction.
3.	Clause 3.9 Human Resource Strength	i. complete profile of the employees and other relevant data. ii. please provide details of any lay off/retrenchment of labour (including status of contract labour)any agitation/unrest among the employees.	It would help in planning the future expansion, understanding labour issues and estimating costs	Relevant updated data would be made available to shortlisted bidders through VDR for purpose of due diligence in Stage II of the transaction.

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4.	Clause 4.2 Balance Sheet	Kindly provide detailed list of inventories and the work in progress till date.	It would help in valuation.	Relevant updated data would be made available to shortlisted bidders through VDR for purpose of due diligence in Stage II of the transaction.
5.	Clause 4.3 to 4.5	Please provide the latest information for debt (term loan and Working capital), contingent liabilities, etc. (as on December 2020) We understand from the shared PIM that NINL has outstanding loans from several banks. Kindly provide details of long-term loan from each bank from where consortium lending is outstanding.	To understand most recent debt position.	Key outstanding liability position as on 31.12.2020 is being annexed as part of this document. It maybe noted that the transaction structure for current disinvestment is based on Enterprise Value and envisages payment of lenders dues upfront as part of pre-defined waterfall mechanism as stated in Part B Clause 3.1 (C). Relevant updated data would be made available to shortlisted bidders through VDR for purpose of due diligence in Stage II of the transaction.
6.	Clause 4.1	We note that creditors/banks were paid dues and interest until January 2020 – has any default notice or	To understand if any claims have been made by any creditor.	Relevant updated data would be made available to shortlisted bidders through VDR for purpose of due diligence in Stage II of the transaction.

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		threat of action been issued since February 2020 until date?		As on date, NINL has written to lenders for NOC for disinvestment process. It maybe noted that the transaction structure for current disinvestment is based on Enterprise Value and envisages payment of lenders dues upfront as part of pre-defined waterfall mechanism as stated in Part B Clause 3.1 (C). Relevant updated data would be made available to shortlisted bidders through VDR for purpose of due diligence in Stage II of the transaction
7.	Clause 2.5	What will be timing and process for replacement of the sureties and guarantees provided by MMTC (corporate guarantee of INR 1,471 Crore to banks and financial institutions) /other selling shareholders to financial institutions for NINL? Has there been any discussions with lenders in this regard?	To determine the mechanism for replacement of guarantee and substitution with guarantee to be provided by the successful bidder.	Refer Clause 3.1 (3) and (4) of Part B (Request for Expression of Interest) wherein it is mentioned that "*The amount payable by successful bidder would be applied (on a priority basis) towards settlement of labour dues, operational creditors, commercial lender debt, promoter debt and purchase of 93.71% of shareholding of NINL as per a pre-determined waterfall mechanism.*" Further clarification regarding the same would be provided in Stage II of the transaction.

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B	**Shareholding & Board Composition Related Clarifications**			
8.	Clause 2.2	Partly Paid Shareholders	Capital Structure refers to partly paid up shares subscribed to by G.A. Danieli Indian Ltd and SMS India Pvt Ltd -– as part of the transaction structure what is contemplated for the partly paid up shareholders? Under the PIM it states that the balance unpaid will be called and paid up at time of winding up of the company as per the current understanding. To also clarify if there is any shareholders agreement or specific rights granted to these shareholders. To determine if the shares held by these shareholders can be purchased/cancelled	The partly paid shares are not a part of the current disinvestment process. There is no shareholder agreement available for the same.
9. .	Clause 2.3	Shareholding Pattern -– Lender Holdings	We note that there are several banks and financial institutions that hold shares in the company. To be clarified as part of the transaction structure what is contemplated for the shares held by the banks and if there are any	The shares held by lenders are not a part of the current disinvestment process. The said shares were allotted under CDR restructuring which was undertaken in FY 2005. There is no separate shareholding agreement for the same.

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			specific terms and conditions based on which such shares were allotted. Based on information in the public domain - it also appears that the company had requested its lenders for one-time restructuring of its loans as per 'Resolution Frame work for COVID-19 related stress' announced by RBI on August 6, 2020. Please clarify and provide details.	The transaction structure for current disinvestment is based on Enterprise Value and envisages repayment of lenders as part of pre-defined waterfall mechanism as stated in Part B Clause 3.1 (C). Accordingly, lenders NOC has been sought by NINL. NINL has submitted a Restructuring Plan on 17.12.2020 to the Consortium of Banks which consists of Restructuring Plan as well as the requirement of Corpus Fund of Rs 350 Cr for Plant & Mines operation (Starting Up). The same is under consideration by lenders.
10.	Clause 2.3	In the shareholding pattern, who are the 'subscribers to MOA' who hold 75 shares?	This is in the nature of a clarification to the shareholding pattern.	The shares are not a part of the current disinvestment process. The list of shareholders is being annexed to this document.

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11.	Clause 3.1 (4)	How will the shareholders of the remaining 6.29% shares interact and participate in the process? Will their shares be available for purchase? Will they be infusing proportional capital to settle the liabilities?	Since proceeds from the divestment will be used to settle all liabilities (except 6.29% shares) and therefore post divestment company would be free of all previous liabilities, the shareholders of the 6.29% shares gain unfarely at the cost of the interested bidders. Sensibly either the remaining 6.29% shares should also come under divestment or they should proportionally infuse capital since their role (as a post process shareholder) in the process is similar to the interest bidder.	The said shares are not a part of the current disinvestment process and would continue to be shareholders post disinvestment. No infusion of capital from the remaining 6.29% of shareholders is envisaged to settle the liabilities of NINL. Bidders may evaluate their rights *vis-à-vis* the remaining shareholders, under the Companies Act as 93.71% shareholders of NINL after disinvestment
12.	Clause 2.3 of Part A and 3.1 of Part B	Please provide details of (i) any agreement or arrangement with all remaining shareholders (i.e., those that are not part of this divestment transaction); and (ii) any rights of such remaining shareholders pursuant to any shareholders agreement or otherwise.	To understand if any remaining shareholders will have any rights in NINL after closing.	The transaction envisages divestment of 93.71% shareholding of NINL in favour of successful bidder along with transfer of management control. The remaining shareholders would be minority shareholders as compared to Successful Bidder on completion of the disinvestment.
13.	Clause 2.4	Will the entire board of directors of NINL resign at the closing of the	To determine the composition of the board of directors post-closing	The transaction contemplates transfer of management control and the

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		transaction or does the board also include any nominees of the remaining shareholders?		Definitive Agreement (s) would incorporate the same. Since the transaction also contemplates satisfaction of the entire debt of NINL, any existing rights with the lenders will also expire. Entire transfer of management control implies that entire board of directors can be constituted by the successful bidder as per applicable law. There is no lenders nominee director on Board of NINL. The draft Definitive Agreement(s) would be provided to shortlisted bidders through VDR/ email during Stage II of the transaction.
C	**Mine Related Queries**			
14.	Clause 3.1 (3)	What will be the process of transfer of mining rights? Will a prior approval from state government on transfer of the mining rights (as required by "The Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016" (and as amended from time to time)) form	Since "The Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016" (and as amended from time to time) requires approval from state government under section 5 sub-section 2 and since the process to gain the approval can only start	All approvals related to mine and land transfer, as may be required under applicable law, including but not restricted to under the Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016, would be the responsibility of the Successful Bidder. The Rules provide the

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		an integral part of the final agreement?	after the final bidder has been selected, a prior approval from the state government should be sought and made part of the final agreement and conditions from the state government for transfer of the mine be made part of the EOI in some form	procedure and applicable fee for grant of such approval, which will be applicable to the successful bidders.
15.	Clause 3.3 Mine Details	Is the lease deed of NINL as signed on 11 Jan 2017 legal in consideration of section 10 A (2) (C) of MMDR, 2015? Kindly provide the documents/ conditions/ approval by the appropriate government bodies under which the lease deed for the mine was allowed to be legally signed considering it might bypass section 10 A (2) (C) of MMDR, 2015.	As per Section 10A(2) (C) of MMDR, 2015 (and as amended from time to time), a lease deed could have been executed only after obtaining statutory clearances or else the grant orders for the mine would have become ineligible after 2 years of the commencing date of MMDR, 2015 (being 11th January, 2017). Since the forest clearances were obtained post lease deed, it creates a doubt around the lease deed and its legality.	NINL has commenced mining operations on 9th August 2019 wherein a shipment of around 45 ton of raw materials has been received at the plant site. Moreover, on 5th Jan 2021, Ministry of Mines has granted permission to sell upto 25% of the annual iron ore production of NINL as per the MDPA executed by the company for a period of 1 year or till the completion of disinvestment of the company, whichever is earlier, under intimation to the State Government and Indian Bureau of Mines. Further, mining lease related documents would be provided to shortlisted bidders as part of the VDR for due diligence exercise to be conducted by the bidders. If any further clarifications are required,

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				these will be considered in Stage II of the transaction.
16.	Clause 3.3 Mine Details	1. Kindly provide the copy of technical and statutory documents of the mine such as: i. Approved Mining Plan ii. Geological Report and drawings iii. Environmental, Forest and other clearances iv. Ore Characterization report v. Detailed Project Report or Feasibility Report vi. Latest Surface Plan 2. Please provide copy of agreement signed with the MDO for the development of the Koira block of NINL. 3. Kindly clarify whether Successful Bidder is liable to continue the ongoing MDO agreement.	It would help in estimation / valuation.	1. Since price bid is to be submitted after Stage II, relevant documents would be provided to shortlisted bidders as part of the VDR for due diligence exercise to be conducted by the bidders. 2. Regarding the MDO, the agreement would be provided to shortlisted bidders through VDR for conducting due diligence. 3. The same would form a part of Stage II clarifications and would be informed to shortlisted bidder through RFP

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		4. Please share production details for the above said mine. 5. We understand that Central Government has granted NINL permission to sell up to 25% of the annual iron ore production for a period of 1 year or till the completion of disinvestment. Kindly clarify if this clause can be extended.		4. The mine has not been operationalized till date apart from shipment of around 45 ton of raw materials in August 2019. 5. The mines have been allotted on captive end use basis to NINL NINL is in receipt of letter dated 9th March 2021 wherein it has been stated that NINL will be allowed to sell upto 50% of the annual iron ore production as per the MDPA for a period of 2 years or till completion of process of disinvestment, whichever is earlier.
17.	Clause 3.3 Mine Details	There should not be any end use restriction on usage of iron ore by the affiliates/Group companies of the Interested Bidder. Necessary permission to facilitate the same should be provided upfront.	Clarity is required upfront as the ability of the usage of such mines for the benefit of Group companies may be a significant convincing factor for a variety of bidders.	The mines have been allotted on captive end use basis to NINL and the special exemption (dated 5th Jan 2021 from Ministry of Mines) for merchant sale of 25% of the annual iron ore production has been granted only for the specific period of 1 year or till completion of disinvestment process and there is no extension of the same envisaged as of now.

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18.	Clause 3.3 and 5.1 – Mine Details	What are the terms of the mining lease granted to NINL, including any restriction in the use of output from the mining other than captive purpose? Considering the recent approval for sale of upto 25% of annual production, have any steps been taken towards mechanized mining?	To understand the restrictions on the use of the mine.	The mining lease deeds would be provided to shortlisted bidders as part of the VDR for due diligence exercise to be conducted by the bidders. The mines have been allotted on captive end use basis to NINL. End use restrictions, if any, will be governed as per applicable law and rules and the lease deeds. The status of mining is as below: • Requisite fees for felling of trees have been paid to OFDC with financial assistance from NMDC. • MoU with NMDC has been finalized for technical, Commercial & Financial assistance from NMDC. • Finalization of Agency for raising of ore is under way. Further clarification would be provided to Shortlisted Bidders through VDR for the purpose of due diligence.
	Land Lease Related			

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19.	Clause 3.1 (3)	What will be the process for transfer of land lease? Would a separate lease agreement be required to be signed between NINL and IDCO once the divestment is complete and NINL is a private entity? Can the terms of the lease hold be shared to be clear on the land rights available to NINL and the terms of the lease agreement?		The lease agreements would be provided in the VDR to shortlisted bidders for the purpose of due diligence at Stage II. [
20.	Clause 3.4 and 5.1	i. Copy of lease agreement ii. Actual details of the split of vacant, constructed and under construction area of land out of the 2,500 acres of land leased to NINL. iii. Material terms of lease deed in relation to use of free, vacant area iv. End Use restrictions, if any	Details are required for assessing any future expansion plans.	i. Please refer reply above in point 19 ii. Land usage details would be provided to shortlisted bidders for due diligence during Stage II of the transaction iii. Please refer reply above in point 19 iv. End use restrictions, if any, will be governed as per applicable law and rules and the lease deeds. If any further clarifications are required, these will be considered at Stage II.

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D	**Agreements/ Permits & Consents**			
21.	Clause 3.6 Raw Material Sourcing	Kindly provide any ongoing agreements signed by NINL with other parties for raw material sourcing.	It would help in valuation.	NINL previously procured major raw material through MMTC and OMC. Other raw materials were sourced locally. There are no contracts apart from MMTC/ OMC. Ongoing agreements would be provided to shortlisted bidders as part of VDR during due diligence. SB would be free to source Raw Material post completion of the transaction.
22.	General: Agreement with Railway and Ports	Please provide details of agreements signed with Indian Railway / Public or Private ports for lease or storage facility.	It would help in valuation.	NINL has an agreement with railways for movement of rail for transportation of raw materials and finished goods. NINL also has a plot of 10,400 sq. mtr. under Paradeep Port Trust (PPT) to handle the imported cargo. The outstanding payment till today is around Rs. 1.5 Cr. Ongoing agreements would be provided to shortlisted bidders as part of VDR during due diligence.

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23.	General: Offtake / Sale agreements	1. Kindly provide offtake agreements signed with other parties including Indian Railways, other PSUs, and other private companies. Please share any ongoing sale agreement signed with PSU / private company.	It would help in valuation.	Please refer reply to points above
24.	General: Ongoing long-term contracts with MMTC	1. As per the Annual Report 2018-19, we understand that NINL has agreement for sale / purchase of finished goods and raw materials with MMTC on 22-June-2012. Kindly provide the copy of such agreement. Also, kindly clarify if the Successful Bidder is liable to continue the above-mentioned agreement.	It would help in valuation.	The transaction structure for current disinvestment is based on Enterprise Value and envisages transfer of management control. Successful Bidder would not be liable to continue the agreement and the same would form a part of the Definitive Agreement (s) which would be shared with the Shortlisted Bidders as part of Stage II transaction documents.
25.	General: Ongoing long-term contracts with OMC	1. As per the Annual Report 2018-19, we understand that NINL has agreement for purchase of Calibrated Lump ore and iron ore fines of Daitari Iron ore mines with OMC for 5 years up	It would help in valuation.	OMC contract has expired on June 2020. .Copy of Agreement would be provided to shortlisted bidders as part of VDR during due diligence. Please also refer to reply of point above

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		to June-2020. Kindly provide the copy of such agreement. Also, please clarify if the same agreement has been renewed or extended.		
26.	Clause, 3.10	Permits and Consents	Given that the permits and consents held by NINL currently expire on March 31, 2021, please provide an update on what is contemplated going forward.	Consent to Operate (CTO) for Plant & Mines are valid upto March,2021. NINL has already applied the renewal of CTO of Mines for FY2021-22 and the same for the Plant is under process. However since the plant is shut down since March 2020, the SB maybe required to renew the requisite permits & licenses. Relevant documents would be made available to shortlisted bidders as part of the VDR for due diligence during Stage II of the transaction.
E	**Others**			
27.	Clause 3.2.6 and 3.2.6.4 (PIM)	Kindly confirm if the plant has a billet caster and if something further has been/was planned. Kindly confirm what is available in the plant as a casting facility (as mentioned in 3.2.6.4) and what is the proposed casting facility (as mentioned in 3.2.6)		Refer Clause 3.2.6.4 wherein it is stated that continuous casting shop consists of 1 x 6 strand high speed billet caster. NINL also has a Pig Casting Machine (2x3200 tons/day). Further clarification will be considered in Stage II of the transaction.

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28.	Clause 2.5	Exception in intangible assets	We understand that the Net Worth of NINL (as given by PIM) as on 31st March 2019 includes "Captive iron ore mines under development" of Rs. 180 crores. Going by this principle, the bidders should be allowed to include mining asset in their Net Worth calculation. An exception in intangible assets can be drawn. Please consider the same at earliest	Net worth criteria under Clause 5.1 (2) of Part B (Request for Expression of Interest) would be followed for purpose of determining financial eligibility.

PART B – REQUEST FOR EXPRESSION OF INTEREST

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
A	**Clarification on Definitions/ Meaning**			
1.	Clause 1, 5.2	The meaning of the term Affiliate and / or Group Company.	The PIM provides- "Group Company(ies)" means a company(ies) which is/are an Affiliate of another company. However, the term 'Affiliate' has not been defined. Clause 5.2 (11) specifies that "The GOI reserves the right to seek any additional clarifications, representations or documents from the Interested Bidders or any of their Group Companies to its sole satisfaction". Therefore, a clarification is sought to the meaning of the terms 'Affiliate' and / or 'Group Company'	These definitions are for the purpose of seeking further clarification primarily for security clearance. The terms "*Affiliate*" and "*Group Company*" has only been used in Clause 5.2 (11) of Part B (Request for EOI). These terms will be clarified if GOI seeks any additional clarifications, representations or documents, under Clause 5.2 (11) from the IB.
2.	Definition	Kindly define "other concern" and "substantial interest" in respect to annexure 12 A clause (g)		For "substantial interest" bidders may make a *bona fide* determination of whether any entity / person has substantial interest in any other Person. Further, it may be noted that under Clause 5.2 (11), GOI reserves the right to seek any additional clarifications, representations or documents from the Interested

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				Bidders or any of their Group Companies to its sole satisfaction. The term "other concern" may be read as "Person".
3.	Definition	Kindly define "Ultimate Beneficial Owner(s)" as mentioned in 5.5 (1) (C), annexure 1A, etc for the purpose of this EOI document		"Ultimate Beneficial Owner" shall have the same meaning as "significant beneficial ownership" defined in the Companies (Significant Beneficial Owners) Rules, 2018 (as amended).
4.	Definition	Kindly define "cross holding of investments" and "cross holding" as mentioned in 5.1 (2) (a) and Annexure 2 form A for the purpose of this EOI document	The same may be required by statutory auditors for certifying the net worth as per the given criteria	Cross holding refers to investment of any 1 Consortium Members in other Consortium Member and/or vice versa. Aggregate cross holding of all Consortium Members would be deducted where the IB is a Consortium
5.	Clause 2.3	Important Dates	The EOI Request at this stage does not specify the timelines for Shortlisted Bidders to be announced - please clarify.	Bidders would be informed by the Transaction Advisor in due course.
6.	Clause 5.1 (2) (a)	Definition of the Net-worth should specifically mention and include the amalgamation/ capital reserves, general reserve, free reserves, etc.	This will help maintain uniform classification of Net Worth for all the Bidders	Refer said Clause 5.1 (2) (a) wherein it is stated that "*does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation*"

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		which should be added while calculating the Net-worth of the IB.		No change in definition of networth is being made.
7.	Clause 4.3(f)(3)(e)	Meaning of the term principal shareholders.	Clause 4.3.3 (e) requires a certificate for list of Board of Directors, principal shareholders and key management personnel duly signed by the respective Company Secretary or any officer in charge of secretarial/legal affairs of IBs/ Parent of Sole Bidder/ each Consortium Member and also counter signed by its authorized signatory to be submitted. In this regard, a clarification is sought as to the meaning of the term 'principal shareholder'	Principal shareholder implies Promoters or shareholders who exercise Control over the IB/ Parent of IB (in case of networth reliance)/ Consortium Member. "Control" shall have the same meaning as assigned to it in Companies Act, 2013, as amended
8.	Clause 6.2(o)	Meaning and applicability of the term security clearance – whether specific to the current transaction	We note that the DIPAM website sets out a form for security clearance – (Proforma for application for Security Clearance of Bidders for Strategic Disinvestment) dated February 15, 2021. Please confirm. Please also confirm which authority would be providing this security clearance and the process /	Proforma as available on website of DIPAM will be issued to Shortlisted Bidder at RFP Stage**.** Further details regarding security clearance will be provided in RFP. Under Clause 6.2 (o) of Part B (Request for EOI) refers to the security clearance for any transaction.

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			any other documentation proposed to be provided in this regard. Separately, under 6.2(o) – reference is made to security clearance being denied / revoked. Please confirm that this is in reference to the security clearance for the proposed transaction under the EOI Request and does not refer to any other security clearance.	
9.	Clause 6.2(o)	Meaning of the term substantial interest	This disqualification lays down "If at any stage of the Transaction, the IB/ Consortium Member and/ or its directors/ CEO or the concern in which IB/ Consortium Member and/ or its directors have substantial interest are denied security clearance or their security clearance is revoked by the GOI." A clarification is sought on the term "substantial interest".	For "substantial interest" bidders may make a *bona fide* determination of whether any entity / person has substantial interest in any other Person. Further, it may be noted that under Clause 5.2 (11), GOI reserves the right to seek any additional clarifications, representations or documents from the Interested Bidders or any of their Group Companies to its sole satisfaction.
10.	Annexure 1, paragraph 4	Meaning of the term 'corporate authorisations'	Please confirm the meaning of the term 'corporate authorisations' and does it signify board resolution alone.	Corporate authorizations applicable for the IB as laid down under applicable law and the charter documents of the IB would constitute corporate authorizations. For

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				example, a Board resolution may suffice in the Indian context.
11.	Annexure 8	Meaning of the term investigation	Annexure 8 and various other provisions of the EOI have references to the effect that no 'investigation' is pending against the IB/ Consortium member or their parent. A clarification is sought on whether the term 'investigation' is limited to matters set out under Annexure 12A (i..e, matters concerning security and integrity of the country / grave offence). We note that a clarification on the term ''investigation' has been included on page 103 of the EOI Request. Please confirm if that clarification applies across the EOI Request where the term 'investigation' has been used.	Refer Annexure 1 wherein investigation has been defined as below: *#The investigation by regulatory authority shall be limited to the following: (a) investigation pending against them, by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of Clauses (a) & (b) of the Office Memorandum of DIPAM dated 28 September 2017; and (b) investigation pending against them, by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of the eligibility criteria prescribed in the PIM. The copy of Office Memorandum of DIPAM dated 28 September 2017 is annexed as annexure X to DIPAM Guidance Note-1 on Strategic Disinvestment (provided as Annexure 12 for reference).*

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
			Please confirm that matters in ordinary course of business of an operating company are not proposed to be included. Further please clarify the nature of the actions / proceedings proposed to be covered under the term 'investigation'	The same definition is to be considered for Annexure 8. Matters in ordinary course of business of an operating company are not to be included in the above definition.
12.	Annexure 8, Paragraph 5	Meaning of the phrase 'request for qualification and statement of legal capacity	Please clarify the meaning of the phrase 'request for qualification and statement of legal capacity' and if any separate statement/ confirmation is required for the same.	Refers to submissions made as a part of EOI Submissions. No separate statement/ confirmation is required for the same.
13.	Annexure 12 A (g)	Kindly confirm if the undertaking/disclosure under Clause (g) of Annexure 12 A is required to be made with respect to the pending investigation/s, by a "Regulatory Authority" only or by any "Government Authority", against the bidder, which if decided against the bidder, may disqualify the bidder in terms of (a) and (b)		The undertaking applies to pending investigations by a "Government Authority" including "Regulatory Authority"

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
		thereof or the prescribed eligibility criteria?		
B	**Clarification on Documentary Submissions**			
14.	Clause 3.2 (B) (ii)	Quantum of earnest money	While the PIM lays down that the earnest money is payable only at Stage II of the process, a clarification is sought on an indicative quantum / manner of payment.	At Stage I, non-refundable fee of Rs 5 lakh is to be submitted alongwith EOI. The Shortlisted Bidders who submit the financial bids are required to submit EMD in form of BG. The quantum of the said EMD would be notified to Shortlisted Bidders as a part of RFP during Stage II of the transaction.
15.	Clause 3.2 (B) (v)	The Shortlisted Bidders will be required to furnish a certificate from the banker or from its statutory auditor that the Interested Bidder has got enough funds to complete the Transaction. Request if proof of funds from a practicing Chartered Accountant along with the annual report suffice as proof that Interested Bidder has got enough funds to complete the Transaction.		Proof of funds is to be provided in Stage II. Proof of funds should be certified by a statutory auditor (in case of a company) or an independent chartered accountant (in case of other Eligible Entities).

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
16.	Clause 4.3) a)	"IB submitting EOI by email shall also be required to submit the EOI in hard physical copy within 7 days from the EOI Due Date." Please confirm that the IB can courier the hard physical copies of the EOI documents and supporting annexures to the address as mentioned in the EOI	Due to prevailing situation arising out of COVID-19 pandemic, there might be travel restrictions imposed by various states in India which can make in-person physical submission of EOI difficult.	To facilitate EOI submission, email submission of EOI is allowed. In person submission is not mandatory. Documents maybe couriered. Both email and physical document submission is to be done within the last date / time as per timelines specified in EOI. However please note that as per Clause 4.3 (i) -"GOI/ Transaction Advisor shall bear no responsibility for non-receipt of documents sent by post/courier/fax."
17.	Clause 4.3) f) 3) m)	"Details of those companies and professional firms, if any, who are (or will be) advising the IB/ Parent of Sole Bidder/ Consortium/ Consortium Member for the Transaction, together with the names of the principal individual advisors at those companies and firms." The above details are not of much relevance in Stage I in as much as the engagement of such firms at Stage I may be considered preliminary. IB	Professional firms and advisors (if required) would be appointed in Stage II of the Transaction.	The said information is a part of requirement as per Annexure 2. Refer Annexure 2 – Important Note wherein it is mentioned that "2) If the IB/ Parent of Sole Bidder /any Consortium Member are unable to respond to a particular question/request or submit any document as per stated requirement, the relevant question/request or request for submission of document, must nonetheless be set out as per the

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	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
		can provide those details, if any, in Stage II of the Transaction. IB should have the flexibility to change/replace such agencies/professionals at any point of time and will provide the requisite information.		Format, with the words "No response given" mentioned against it, stating reasons for the same"
18.	Clause 4.3) f) 3) n)	"Details of contingent liabilities and outstanding litigations, which if materialised, would have or 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/ Parent of Sole Bidder (in case the net worth of same is used for meeting financial eligibility criteria), or other similar business combination or sale." We request you to consider the list of contingent liabilities / material litigations / financial commitments provided as a part of annual financial reports/ other documents of the IB/ affiliates which will be submitted along with other supporting documents for EOI.	The details about the contingent liabilities and outstanding litigations which would have or would reasonably be expected to have a material adverse effect is very subjective in nature.	The declarations to be made by the bidders in this respect are to be made as per their *bona fide* belief of the bidders.

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	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
19.	Clause 4.3(f)(3)(j) Annexure 2, paragraph D (10)	Procedural requirements for the execution of the general power of attorney.	Clause 4.3.3 (j) lays down that "Documents such as a board or shareholders' resolution in favor of the person executing the Power of Attorney for the delegation of power on behalf of the IB/ Consortium Member" are required to be submitted. In this respect, a clarification is sought to ensure that the ordinary processes being followed by a company for executing powers of attorney, and supporting documents for the same are adequate for the fulfillment of this requirement. Please also clarify if a general document/ board resolution containing delegation of power in favour of the person executing the Power of Attorney would suffice or we need a specific resolution granting power of attorney specifically for the NINL transaction.	Under Annexure 3 of Part B, "*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 Interested Bidder*." Thus, a general board resolution containing delegation of power in favour of the person executing the Power of Attorney would suffice as long as submission of bids for this transaction is covered in the language of the resolution. Specific board resolutions may be required at Stage II and would be specified in the RFP.

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
20.	Clause 4.3 (l) - Documentation	As per clause 4.3(l) details of all international operations, joint ventures, alliances needs to be submitted as per details provided in PIM. We understand that all the required details can be provided in a Brief note format (on letterhead of IB) and no separate certificates are required w.r.t. Incorporation details/ registered office, nature and size of such operations, equity ownership/ effective management and control of its subsidiary/JVs/alliances in India as well as overseas.	Seeking clarity on document to be submitted for EoI.	Details of operations to be provided on letterhead. Please also refer to Annexure 2 D (6) wherein submission requirement for charter documents of IB/ Parent of Sole Bidder (in case of networth reliance)/Consortium Member is to be provided.
21.	Clause 6(2) of Part B	a) We submit that the following grounds for disqualification that extend beyond the IB, its directors, parent, promoters and subsidiaries, are excessive and should not be considered: (i) any charge sheet or conviction in matters pertaining to national security and national integrity for any offence committed by any of the Promoter Group/ Associate Company; (ii) any	Any disqualification should be limited to, and arise only from the status of, the IB, its directors and parent promoters. It should not extend to "subsidiaries", "associates", or "promoter group", which could be very wide and include a number of entities in India and outside India that will have no impact on the ability of the IB to undertake the proposed transaction.	The said disqualification criteria applies to "subsidiaries", "associates" or "promoter group" only in material circumstances like national security and integrity and other limited circumstances. Hence no change is proposed.

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
		litigation by an Associate Company against NINL; (iii) Promoter Groups being debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities by any Governmental Authority; and (iv) Promoter Group appearing in the RBI list of wilful defaulters or any such list by a competent authority in their respective jurisdiction.		
22.	Annexure 2	Requirements to be provided by Parent in case parents networth is being relied on	Please clarify in Annexure 2, are all requirements to be provided by the Parent in case the net worth of the parent is relied on or only those specific line items where parent of the sole bidder is mentioned including paras C (4): Contact Person (s), D (1), D (4), D (9) (a), D (10) and H.	In case of reliance on Parent networth by Sole Bidder, Parent should satisfy requirements under all clauses in Annexure 2.
23.	Annexure 3	Request if a general authorization Board Resolution along with Power of Attorney in bidders format for participation in the process for sale of assets will suffice.		Please refer to Notes of Annexure 3 wherein it is stated that "*the Interested 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*

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
				of power hereunder on behalf of the Interested Bidder." Also, the Power of Attorney has to be in specific format as per Annexure 3
24.	Annexure 3: General Power of Attorney	Format for General Power of Attorney In respect of the issuance of a general power of attorney at the time of submission of EoI, it should be clarified whether a preceding board resolution is required to be submitted/attached for issuance of the PoA.	Clarity is required upfront	Confirmed that preceding Board Resolution is required. Refer Note (2) of Annexure 3 for clarity
C	**Parent Related Clarifications**			
25.	Clause 3.2(B)(i)	Shortlisted Bidder Criteria – bidding process	The EOI Request refers to a 'transparent bidding process'. Please clarify.	The transaction is through a two stage process wherein interested bidders shortlisted in Stage I would progress to Stage II of the transaction. During Stage II, Shortlisted bidders would be provided opportunity to undertake their due diligence at their own cost. There after financial bids would be submitted in sealed envelope along with EMD. The financial bids would be opened only after Security Clearance. The highest financial

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	Clarification/ Additional Information required	Rationale for clarification or additional information required	
			'Will there be any impact in the criteria if EOI or bid is submitted by a subsidiary (Company B) as against a parent (Company A) company. If Company B is submitting an EOI relying on the net-worth of the parent (Company A), will bidding criteria for parent (Company A) can be considered for evaluation of bidding criteria.	bidder (above the reserve price) would be declared as Qualified Bidder. On completion of the conditions precedent, the Qualified Bidder would execute the Definitive Agreements including submission of PBG and thereafter would become the successful bidder. Details of the mechanism of Stage II would be provided in RFP document. Please note Clause 5.1 (2) "if a Sole Bidder is found to be satisfying net worth criteria on the basis of its parent's net worth, the consolidated net worth of its parent will be considered."
26.	Clause 4.3(f)(3)	Usage of the term 'Parent' and whether the same is only relevant in the scenario where the networth of the Parent is relied upon by the Sole	While the point at 4.3(3) broadly mentions that the details and declarations from the 'Parent' of the Sole Bidder are only required when the networth of the Parent is	4.3(f)(3) refers to Parent details only in case Sole Bidder is relying upon parent networth for satisfying the financial criteria.

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
		Bidder for the submission of the EOI.	being relied upon for the submission of the EOI Request, the documents mentioned under this Clause do not always specify this condition. Therefore, a clarification is sought that wherever references to the term 'Parent', are used in the EOI Request in relation to information and documents to be submitted, is limited to the case where the networth of the Parent is being relied upon for the submission of the EOI Request. Please clarify whether Form A in its entirety is applicable to the parent or only the specific provisions wherein ''Parent of Sole Bidder' has been specified. Please confirm if Parent in such case is also required to provide the Power of Attorney.	Refer Annexure 11 – Undertaking by Parent wherein it is stated as below: All conditions prescribed in the EOI and the undertaking provided by the IB (Sole Bidder), including the criteria for qualification and disqualification shall be applicable to **[Insert name of Parent]** and we undertake to comply with all such conditions. Form A is required to be filled by Sole Bidder as well as Parent of Sole Bidder in case of reliance on parent networth. Parent is required to submit Undertaking as per Parent (Annexure 11) and not Power of Attorney. Parent would also be required to obtain necessary security clearance.
27.	Clause 5.1(2)(d)	Person signing the definitive documentation	Whether the parent company will be required to sign the definitive documentations if IB is relying on the net-worth of the parent?	Refer Annexure 11- Undertaking by Parent of Interested Sole Bidder wherein it is stated that

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	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
				"*We will also sign / be parties to all Definitive Agreements as required;*"
28.	Clause 5.1(3)(a)	Eligibility of Sole Bidder with Parent Support	Request you views on whether the following arrangement be workable – NINL's shares are acquired by Company 1 (Sole Bidder) against equity consideration and the remaining consideration is paid by Company 2 (Parent of Sole Bidder whose support is taken for Net Worth) in the form of preference shares/ debt. It is clarified that entire equity of NINL for the transaction will be owned by Company 1.	As per PIM, the Sole Bidder/ Sole Bidder's 100% SPV/ Consortium SPV is required to infuse funds into NINL for completion of the disinvestment.
29.	Clause 5.1(3)	Applicability of Eligibility Criteria to Parent	It is mentioned that "In case IB is relying on parent's net worth and if the IB is forming an SPV, the parent is subjected to Eligibility Criteria." However, it is not clear that in the case IB is not forming an SPV, whether the parent is still subjected to Eligibility Criteria or not	Refer to Clause 5.1(3) of Part B (Request for Expressions of Interest) - If IB is a sole bidder, it has the option to either directly hold shares of NINL or hold shares through an investment vehicle (SPV). Refer Annexure 11 – Undertaking by Parent wherein it is stated that *"All conditions prescribed in the EOI and the undertaking provided by the IB (Sole*

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				Bidder), including the criteria for qualification and disqualification shall be applicable to [Insert name of Parent] and we undertake to comply with all such conditions."
30.	Clause 5.2(3)	All financial statements or data to be derived therefrom for the evaluation of Financial Criteria has been meant to be on a consolidated basis. To confirm if in case a company is using the parent's networth - then will the financial statement of the parent be adequate on standalone basis or will it be required on a consolidated basis.	Assuming that the parent's standalone financials complies with the networth criteria – then in such case, are the consolidated financials of the parent required in such case.	Refer clause 5.1 (2) (a) - if a Sole Bidder is found to be satisfying net worth criteria on the basis of its parent's net worth, the consolidated net worth of its parent based on consolidated financials will be considered.
31.	Section 6.2, Annexure 11	Applicability of annexures, eligibility criteria and disqualifications to the Parent of the Sole Bidder in case the net worth of the Parent is relied upon.	Annexure 11 lays down "All conditions prescribed in the EOI and the undertaking provided by the IB (Sole Bidder), including the criteria for qualification and disqualification shall be applicable to [Insert name of Parent] and we undertake to comply with all such conditions." Additionally, at various places in the PIM, where an eligibility	Refer Annexure 11 – Undertaking by Parent wherein it is stated as below: "All conditions prescribed in the EOI and the undertaking provided by the IB (Sole Bidder), including the criteria for qualification and disqualification shall be applicable to **[Insert name of Parent]** and we undertake to comply with all such conditions."

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	Clarification/ Additional Information required	Rationale for clarification or additional information required	
			criteria and disqualifications are specifically made applicable to the Parent of the Sole Bidder. However, under para 11 of Section 6 – there is the discretion of the GOI to apply specific disqualification criteria to the Parent. Please clarify if the parent is also to comply with each and every disqualification criteria or only limited to the criteria where it has been specified under Section 6. Further, the various undertakings under Annexure 1 – are these to apply only to the sole bidder / consortium members or verbatim to the parent (in case of networth of parent being applied). For example under paragraph 14 under Annexure 1 – makes reference to directors of the IB – however, where parent net worth is to be applied, does this specific undertaking also then apply to directors of the Parent?	All disqualification (including 6.2 in entirety) as well as qualification criteria shall be applicable to Parent in case of reliance on networth of Parent by the Sole Bidder All undertakings under Annexure 1 will be applicable to Parent in case of reliance on networth of Parent by the Sole Bidder including the directors of the Parent, where applicable. Also, for clauses within 6.2 which make reference to Associate Company / Subsidiary / Promoter / Promoter Group, the undertaking would be applicable such Associate Company / Subsidiary / Promoter / Promoter Group of the Parent as well.

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			Further, 6.2(n) and other clauses within 6.2 makes reference to Associate Company / Subsidiary / Promoter / Promoter Group – where Parent net worth is relied on, please confirm that it is sufficient to provide this confirmation only with respect to the Parent itself and is not intended to extend to the Associate Company / Subsidiary / Promoter / Promoter Group of the Parent.	
D	**Consortium & Transaction Structure Related**			
32.	Clause 5.1(3)(a)	Entity for executing the transaction	If Company 1 is submitting an EoI and the bid, can Company 1 execute the transaction through its subsidiary wherein Company 1 holds more than 51% (but less than 100%) and control by Company 1 instead of forming a new SPV.	Refer Clause 5.1.(3)(a)wherein it is stated that "A Sole Bidder can form a 100% wholly owned subsidiary (SPV) at **any time after submission of EOI but prior to signing of the Definitive Agreement(s).** " Also, in case of consortium bidding – "If IB is a Consortium, the Consortium shall incorporate an investment vehicle (i.e., a Consortium SPV), **any time after submission of EOI but before signing of the Definitive Agreement (s)."**

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
33.	Clause 5.1(3) (b)	"Where IB is a Consortium: … (i) Eligibility /disqualification criteria: to be satisfied by the Consortium SPV and all members of Consortium as per the PIM/EOI." Eligibility Criteria includes, inter alia, financial criteria, which requires the IB to have a net-worth of Rs. 2000 crore or US$ 265 million. The point in question requires the criteria to be fulfilled by both the Consortium SPV and all members of Consortium. This is also clarified in the table on pg. 80 which reiterates the same. However, Clause 5.1) 5) c) i) states that "where IB is a Consortium, the Combined Net-worth of all the Consortium Members should meet the Minimum Net-worth Criteria as mentioned in Clause 2(a) above." This is a discrepancy which requires a clarification	Essential for a prospective bidder is ascertaining whether all members of the Consortium are required to meet the financial criteria individually.	Please be guided by Clause 5.1 (2) (e) in respect to financial criteria. All other qualification and disqualification criteria to be met by all Consortium Members.
34.	Clause 5.1(4)	Withdrawal/ Change of EOI "An IB submitting the EoI cannot be replaced by another subsidiary of its	This will help optimize the financing structure	No change in said clause is acceptable. Reference to Clause 5.2(10

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
		Parent or a SPV created by its Parent at any stage of the Transaction." The above substitution/replacement of the IB by another subsidiary or affiliate of its Parent or a SPV created by its Parent, should be allowed to IB till completion 90 days from being shortlisted.		of Part B (Request for EoI) may be made.
35.	Clause 5.1(3) (a)	IB should have flexibility to onboard any financial investor(s) in the SPV at any point in time during the Transaction such that SPV will be, directly or indirectly, Subsidiary of the IB. Moreover, the management and control rights of the SPV will be with the IB.	This provides flexibility to the IB to raise funds for the Transaction where the investor, holding equity stake of maximum 49% (on fully diluted basis), would be merely a financial investor in the SPV without any rights for operational and management control.	IB may consider conversion from Sole Bidder to Consortium/ increase in members of consortium by including such financial investor within the consortium as per Clause 5.2 (10) of Part B (Request for EOI). SPV formation and other conditions would be guided would be guided by Clause 5.1 (3) of Part B (Request for EOI).
36.	Clause 5.1(3) (a)	IB should also have the flexibility to identify an existing 100% wholly owned SPV / affiliate company, which could be used to acquire the shares of NINL. There should not be a mandatory requirement to form a new SPV.	This provides flexibility to IB to use an existing SPV and can potentially help maximize the value of the assets.	Existing WOS/ SPV needs to bid either as Sole Bidder or as part of consortium. It is not mandatory for Sole Bidder to form SPV. However, it is mandatory for a Consortium to form SPV. Please refer Clause 5.1 (3) (a) & (b) in this regard.

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
37.	Clause 5.1 (5) and Definition	The minimum stake requirement of the Lead Member should be reduced from 40% to 25%. In addition, there should be flexibility in changing the Lead Member post submission of EoI and until the date of signing of the Definitive Agreement	This will help optimize the financing structure and maximize the value of the assets.	Lead Member stake retained as per Clause 5.1 (5)
38.	Clause 5.2(10)	Change in composition of consortium	The PIM lays down certain guidelines that must be followed in case a change is consortium is anticipated after the submission of the EoI and the shortlisting of bids. In this respect, a clarification is sought on whether an IB submitting the bid as part of the consortium can after the shortlisting of bids become a sole bidder provided that such IB was the Lead Consortium Member. In such case, please clarify that in such case the IB will become the "Sole Bidder" and will be allowed to submit the financial bid in such capacity.	As per Clause 5.2 (10)(a) – Application for change of consortium needs to fulfil the criteria specified as per said clause. Additionally, as per Clause 5.2 (1) - "The IB must meet the Eligibility Criteria as stated in Clause 5.1 of this EOI Request, **on the date of submission of the EOI** and must continue to be eligible throughout the Transaction until its completion." As per above clause, networth of the lead consortium member would be considered, as per the financial eligibility criteria on date of submission of EOI in case change of consortium under clause 5.2 (10) is applied for post shortlisting of interested bidder.

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	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
39.	Clause 5.2(10)	Change in Consortium or conversion of non-consortium IB to Consortium	We understand that within 45 days of shortlisting of a consortium, there can be inclusion or exclusion of member in the consortium. We wanted to check whether post such change, we will have to submit a revised Net Worth certificate? If yes, then whether the revised Net Worth certificate can be obtained as on 31st March 2021?	Refer Clause 5.2 (1) - "The IB must meet the Eligibility Criteria as stated in Clause 5.1 of this EOI Request, **on the date of submission of the EOI** and must continue to be eligible throughout the Transaction until its completion." Refer Clause 5.1 (2) (a) for effective date of networth calculation for meeting financial eligibility criteria.
40.	Clause 5.2(10)	Change in Consortium or conversion of non-consortium IB to Consortium	After the submission of the EoI, if there is a change in composition of a consortium, pursuant to which the members forming part of the consortium merge into one entity, would such merged entity be permitted to submit the financial bid as a Sole Bidder? In such case, would a fresh net worth statement be required and what financial statement back up would be required?	Refer Clause 5.1 (5)(d) and Clause 5.2 (10) wherein it is stated that no change in composition of Consortium will be permitted after last date for submission of EOI, till shortlisting of the IBs. If after shortlisting of IBs there is a proposed change in consortium, Shortlisted IB/ Consortium needs to apply for approval for such change to the Transaction Advisor (TA) no later than 45 days from date of shortlisting of IB. This timeline of 45 days maybe extended under instruction from GOI

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	Clause No. Part B	Clarification/ Additional Information required	Rationale for clarification or additional information required	
				if required. Endeavour shall be made to provide approval or disapproval for such a change no later than 2 weeks from the date of receipt of such application from the IB. Refer Clause 5.2 (1) - "The IB must meet the Eligibility Criteria as stated in Clause 5.1 of this EOI Request, **on the date of submission of the EOI** and must continue to be eligible throughout the Transaction until its completion."
41.	Clause 5.2(10) (c)	"In case where two sole bidders have been qualified based on the EoI submitted by each of the sole bidders, the formation of a Consortium by the Sole Bidders shall not be permitted." This restriction should not be imposed on the sole bidders (IBs). However, timeline of 90 days from getting shortlisted may be provided for formation of such Consortium by sole bidders.	This will facilitate in making the bidding process more competitive with more number of Shortlisted Bidders which are likely to submit the financial bids. This will inadvertently result in better offers from the bidders.	No change in Clause 5.2 (10) (c) is accepted. The said timeline of 45 days as per Clause 5.2 (10) is to be read as 60 days. Corrigendum in this regard has been issued.
42.	Paragraph 9, Annexure 7	While we understand that the change of control requirements will	To confirm that an ongoing merger involving the IB and the Parent,	IB to provide information regarding the ongoing merger and the

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	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
		be specified at the RFP stage, we request that an express clarification is included to exclude from the change in control restriction any intra-group corporate restructuring or reorganization (including by way of merger, amalgamation etc.) involving the IB or the Parent, as long as the management of the IB remains the same as disclosed to the GOI and Sellers at the EOI stage.	pursuant to which the parent will be amalgamated into the IB will not trigger any change in control restriction.	associated entities at time of EOI submission. GoI may take decision thereafter.
43.	Clause 5.2(4)	Lock-in of Shares – Transfer intra-group	Will intra-group transfer of shares be permissible given the shareholding lock-in requirements? This may be required as a part of corporate restructuring.	Lock In conditions would be informed in Stage II of the transaction and shortlisted bidders would be provided clarification through the RFP/ Definitive Agreement(s)
44.	Clause 5.2(4)	Lock in period of the shares acquired in the transaction to be waived.	This will help optimize the financing structure and maximize the value of the assets possibly by integrating potential future synergies.	Lock In conditions would be informed in Stage II of the transaction and shortlisted bidders would be provided clarification through the RFP/ Definitive Agreement(s)
E	**Others**			
45.	Clause 2.1	Transaction Background – clarifications on transfer of assets	Will there be any cost involved in transferring the assets, specially mining lease, land, etc. from NINL to IB / its affiliates. Will there be	Shortlisted bidders are required to undertake their own assessment of costs involved for the transaction. As per process, existing documents for

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
			any cost implications be applicable twice in case Company 1 undertakes acquisition and then NINL's shareholding is transferred to a Company 2 (which is related to Company 1). Can any exemptions be availed for this under DIPAM process. Further, can a clarification be provided with respect to Contingent liabilities and its treatment. Will there be a clean slate principle applicable as under IBC Section 32 (A)	land lease, mining will be provided to shortlisted bidders for due diligence via VDR in Stage II of the process. Transfer of shares from Company 1 to Company 2 will be guided by lock in criteria to be specified at Stage II through RFP/DA. Current disinvestment process under DIPAM does not envisage any exemptions. The Contingent Liabilities continue to remain on books of NINL. The disinvestment does not fall within the purview of IBC, 2016.
46.	Clause 3.1	Salient Features of the Transaction (para 3 and 4) – Enterprise Value calculation	Under para 4 the bid is supposed to be on an 'Enterprise Value' basis - to clarify that prior to the bid the updated audited financials will be made available since the para refers to details in Part A para 4.3, 4.4 and 4.5 (these are all subject to updation at this stage). Further, MMTC has provided the following to NINL – 1. Unsecured loan – 1,425 Cr	NINL's FY20 unaudited accounts signed by the Board of Directors is uploaded. Audited FY20 financials will be uploaded to VDR once the CAG audit is completed. Key outstanding liability position as on 31.12.2020 is being annexed as part of this document. Relevant updated data would be made available to shortlisted bidders

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
			2. Credit Advances – 1,796 Cr totaling to 3,221 Cr as of Mar'20. Given the no. has changed to 3,372 Cr as of Sept'20; would request if some clarity can be provided on treatment of MMTC related loans and its repayment mechanism and any movement from Bid submission / last audited nos. until closing. Also, will the evaluation be purely on the Equity Value offered or is there a contemplated scoring criterion	through VDR for purpose of due diligence in Stage II of the transaction.
47.	Clause 5.2 (5)	Requisite approvals: While the IB shall have the obligation to obtain the approvals that an acquirer is required to obtain, however, relevant government agencies and ministries should facilitate the IB in getting the requisite approvals for the Transaction in an expedited manner.	This can potentially help the transaction conclusion at the earliest	While disinvestment is a priority area of the GoI, the onus for obtaining the requisite approvals is on the IB.
48.	Clause 5.2 (5)	Requisite Approvals	Reference is made to approvals being required to enter into the Definitive Agreements. To clarify what third party approvals are	A tentative list of requisite approvals would be included in the RFP/ Definitive Agreement(s). Bidders may undertake their own

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	**Clarification/ Additional Information required**	**Rationale for clarification or additional information required**	
			proposed to be sought by the IB from Ministry of Commerce & Industry to enter into the agreement. To confirm that relevant government approvals such as CCI etc. would only be required to be sought before completing the transaction as conditions precedent under the Definitive Agreements	assessment basis information provided in VDR and applicable law. The Successful Bidder would be responsible for obtaining all relevant approvals to complete the transaction.
49.	Clause 5.2 (5)	Requisite Approvals	Please clarify the impact of not receiving requisite approvals after being selected as a Successful Bidder including the refund of earnest money.	While disinvestment is a priority area for GoI, the onus for obtaining the requisite approvals is on the IB. The matter regarding refund of EMD, if any, would be clarified in RFP/ Definitive Agreement(s) which would be made available to shortlisted bidder.
	Annexure 6 – Draft Confidentiality Agreement			Certain queries pertaining to Draft Confidentiality Agreement have been received. However, since the Draft Confidentially Agreement needs to be submitted by Shortlisted Bidder prior to obtained VDR access, any modifications in the same would be taken up for discussion post intimation to Shortlisted Bidders.

Annexure I – Latest Outstanding Position as on 31.12.2020

NEELACHAL ISPAT NIGAM LIMITED

Outstanding

In Crores

	Banks / Fis	Outstanding as on 31.12.2020 (Provisional)
A	Total Loan Bank	1218
	Non-Fund Base (BG&LC)	150
	Non-Fund Base (Allahabad)	100
	Sub Total	**1468**
B	Fund Base (Cash Credit)(June'20)	150
	Fund base to Nonfund base (BG)	6
	Sub Total	**156.00**
C	**Bond**	
	Bond 10.45%	50
	Bond 11.90%	200
	Bond Intesrest	12
	Sub Total	**262**
D	**OMC**	345
	Interest Outstanding	40
	Total OMC	**385**
E	**MMTC**	
	Working Capital	1425
	Trade Advance	1796
	Total MMTC	**3221**
I	**NMDC**	60
	Interest Outatsnding Jan'20 to March'20	7
	Total NMDC	**67**
J	Operational Creditor	390
	Wages Employees & Contract Labour overdue Payments upto Dec'20	114
	OMC Iron Ore Supply	96
	Sub Total	**600**
	Grand Total	**6159.00**

Annexure II – Detailed Shareholding of NINL (as on 08.03.2020)

NEELACHAL ISPAT NIGAM LIMITED

Shareholding Pattern (As on 08.03.21)

Sl. No.	Name of the Shareholders	No. of shares	Share Capital (In Rs.)	% of Share Capital Holding
1	MMTC	368,762,744	3,687,627,440.00	49.784758
2	IPICOL	88,868,389	888,683,890.00	11.997663
3	OMC	151,598,530	1,515,985,300.00	20.466536
4	NMDC	74,799,878	747,998,780.00	10.098346
5	MECON	5,000,000	50,000,000.00	0.675024
6	BHEL	5,000,000	50,000,000.00	0.675024
7	BECO	700,000	7,000,000.00	0.094503
8	G. A. Danieli India Ltd. (Rs. 5/- each paid up)	1,000,000	5,000,000.00	0.067502
9	SMS India Pvt. Ltd. (Rs. 5/- each paid up)	12,852,000	64,260,000.00	0.867541
10	IDBI Bank Limited	18,846,796	188,467,960.00	2.544409
11	IFCI Limited	2,292,501	22,925,010.00	0.309499
12	Life Insurance Corporation of India	4,422,944	44,229,440.00	0.597119
13	General Insurance Corporation of India	216,112	2,161,120.00	0.029176
14	National Insurance Company Limited	129,305	1,293,050.00	0.017457
15	Bank of Maharashtra	1,887,847	18,878,470.00	0.254868
16	Syndicate Bank	1,961,874	19,618,740.00	0.264863
17	Oriental Bank of Commerce	1,298,091	12,980,910.00	0.175249
18	United Bank of India	1,065,896	10,658,960.00	0.143901
19	State Bank of Mysore	1,015,718	10,157,180.00	0.137127
20	Central Bank of India	5,921,243	59,212,430.00	0.799397
Nominees of IPICOL / Govt.of Odisha		-	-	-
21	Shri Surendra Kumar, IAS	100	1,000.00	0.000014
22	Shri N. B. Jawale, IAS	100	1,000.00	0.000014
Subscribers to MOA		-	-	-
23	Shri S. D. Kapoor	10	100.00	0.000001
24	Dr. B. B. L. Madhukar	15	150.00	0.000002
25	Shri M. P. Gupta	10	100.00	0.000001
26	Shri P. N. Sharma	10	100.00	0.000001
27	Dr. S. R. Jain	10	100.00	0.000001
28	Dr. S. Ray	10	100.00	0.000001
29	Shri S. D. M. Nagpal	10	100.00	0.000001
	Total	**747,640,143**	**7,407,141,430.00**	**100.000000**