

## STRATEGIC DISINVESTMENT OF NMDC STEEL LIMITED

GLOBAL INVITATION FOR EXPRESSION OF INTEREST (EOI) FOR PROPOSED STRATEGIC DISINVESTMENT OF NMDC STEEL LIMITED (NSL) 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 December 1, 2022 for inviting Expressions of Interest from Interested Bidders for strategic divestment of NSL 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](http://www.dipam.gov.in), NMDC Limited at <https://nmdcsteel.nmdc.co.in/SteelNews>, and Transaction Advisor at [www.sbicaps.com](http://www.sbicaps.com). In response to these, pre-bid queries were received by due date of 29<sup>th</sup> December 2022. 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.	<b>Demerger Status &amp; Supplementary Transaction</b>			
1.	Clause 1.1 - Background	In relation to the sale of the additional 10% stake in NSL by the GoI to NMDC:	To understand the rationale for, and the mechanics / timing of, the proposed sale of the	The Transaction is for strategic divestment of GoI's 50.79% equity stake in NSL along with transfer of management control.

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		<p>(a) whether NMDC will have certain special shareholder rights pursuant to its 10% stake in NSL;</p> <p>(b) whether the 10% stake held by NMDC in NSL be available for sale in the future;</p> <p>(c) whether any right of first offer or right of first refusal will be available to the Successful Bidder in relation to the additional 10% stake in NSL proposed to be transferred to NMDC.</p> <p>(d) What pre-emptive rights would the successful bidder have with respect to NMDC's stake - such as Right of First Refusal in case of eventual sale by NMDC in the future?</p> <p>(e) Would there be a shareholders agreement between NMDC and the successful bidder?</p>	additional 10% stake to NMDC.	Further details regarding Supplementary Transaction would be provided to Shortlisted Bidders during Stage II of the transaction through Definitive Agreement(s).
2.	Clause 1.1 - Background	<p>10% stake shall be offered to NMDC as part of Supplementary Transaction.</p> <p>It is obligatory for NMDC to accept 10% stake offered to them ? In case NMDC doesn't accept, whether the 10% would be offered to the strategic buyer and at what terms ?</p>		<p>The Transaction is for strategic disinvestment of GoI's 50.79% equity stake in NSL along with transfer of management control.</p> <p>Further details regarding Supplementary Transaction would be provided to Shortlisted Bidders during Stage II of the transaction through Definitive Agreement(s).</p>

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3.	Clause 1.1 - Background	Will the entire board of directors of NSL resign at the closing of the transaction or will the board also include any nominees of the remaining shareholders (including GoI, on account of its 10% shareholding in NSL)?	To determine the composition of the board of directors post-closing. To confirm that the GoI will not have any special rights in NSL associated with the 10% shareholding.	The Transaction is for strategic disinvestment of GoI's 50.79% equity stake in NSL along with transfer of management control.  Further details regarding Board Composition would be provided to Shortlisted Bidders during Stage II of the transaction through Definitive Agreement(s).
4.	Clause 1.1 - Background	What would be the tentative timelines for listing of NISP (NSL) ?		The listing process is ongoing. In principle approval from BSE for listing of 2,930,605,850 equity shares of Rs 10 each pursuant to Scheme of Arrangement between NMDC Ltd and NSL has been obtained on 30 <sup>th</sup> December 2022.  Further details would be provided to Shortlisted Bidders during Stage II of the transaction.
5.	Clause 1.2 - Transaction	What is the current status of the demerger of NISP from NMDC?	To understand disinvestment completion timelines.	Demerger scheme has already been approved by Ministry of Corporate Affairs ("MCA") on October 6, 2022. Further details would be provided to Shortlisted Bidders during Stage II of the transaction.

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<b>B.</b>	<b>Audited Financials &amp; Other Queries on Asset &amp; Liability Position (including banks liabilities)</b>			
6.	Clause 4: (Financial Position of NSL)	The financial information provided in relation to NSL is as of March 31, 2022. Please provide updated information as of September 30, 2022.	To understand the latest financial position of NISP / NSL.	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 4: (Financial Position of NSL)	Please provide the audited financial statement and detailed audit report of NISL of last 3 years. Please provide the internal audit report of NISL or audit observations related to NISL of last 3 years.	Financial due diligence	Relevant updated data would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction
8.	Clause 4.1 – Project Cost	Details of primary / collateral security provided against the loan executed with State Bank of India for INR 4,476 crores for part financing the balance project cost including security provided to the lenders against the incurred Debt of INR 1,668.22 crores	Detailed understanding of assets & Liabilities	Please refer Audited Annual Report of NMDC for FY2022 - Clause 2.35.12 available on website of NMDC.  Further details would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
9.	Clause 4.1 – Project Cost	Please provide amount incurred on the project <b>till November 30,2022</b> against the estimated project cost of Rs.21,940 crores and break-up thereof including VAT/GST paid, available for Input Tax Credit (ITC).  Also, please provide the current assessment on the amount to be incurred to complete the project.	To assess the total financial requirement and financial viability of the project.	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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10.	Clause 4.1 – Project Cost	<p>a. As per IM, Rs. 20,514.48 crores have been incurred till date on the capex and Rs. 1661.86 is estimated amount of contracts remaining to be executed on capital account. Based on this, please confirm that total capex to complete the project would be Rs.22,176.34 crores (20,514.48 + 1661.86).</p> <p>b. Please confirm that there is no cost overrun or further capex required for completing the project.</p> <p>c. What is the means of financing of project cost, original and revised, if any? Please provide details, terms of instruments used for financing of Rs. 18,846.26 – equity and other liabilities as mentioned in the IM.</p>	Clarification sought to understand total project cost.	<p>a) and b) Please refer response to query 9 above</p> <p>c) Project Cost incurred as on 31.3.2022 is Rs 20,514.48 crores. Refer clause 4.2 of PIM for details on means of funding of project cost. Please refer Audited Annual Report of NMDC for FY2022- Clause 2.14.1 for terms of instruments used for financing.</p> <p>Further details would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.</p>
11.	Clause 4.2- Assets and Liabilities of NISP	Please provide the bifurcation of Tangible assets and Other Assets of NISP as of 31st March 2022.	Detailed understanding of assets & Liabilities	Relevant data would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
12.	Clause 4.2- Assets and Liabilities of NISP	Please provide the detailed breakup at line item level of the Auxiliary packages. Amounts spent against the package is Rs.246.96 Cr vs projected spend of Rs.4267 Crs.	Detailed understanding of assets & Liabilities	Relevant 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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13.	Clause 4.2- Assets and Liabilities of NISP	Please provide terms and details of holders of NCD's	Clarification sought with a view to understand the capital structure of the company at the time of takeover.	Please refer Audited Annual Report of NMDC for FY2022 -Clause 2.14.1 and Clause 2.15.1.  Further details would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
14.	Clause 4.2- Assets and Liabilities of NISP	As on 31.03.2022, there appears a liability in the financials of NISP for INR 144.76 crores against deposit received from others. Please provide the details / breakup of the deposit received.	Detailed understanding of assets & Liabilities	Details would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
15.	Clause 4.2- Assets and Liabilities of NISP	Please provide the aging in the following bucket of the liabilities of INR 2970.57 Crs. - 0-30 days, 31-90 days, 91-180 days, 191 to 365 days and more than 1 years.	To do the financial due diligence of the project.	Relevant data would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
16.	Clause 4.3 - Contingent Liabilities and Commitments	Contingent Liabilities & commitments as on 31st March 2022 has been provided. Please provide the Current status of the contingent Liability and commitments as of 31.12.2022.	Estimating Future and contingent liabilities and to assess the crystallization prospect of these liabilities against NSL.	Relevant data including updated position of contingent liability would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
17.	Clause 4.3 - Contingent Liabilities and Commitments	Current status of the claims against NSL by the contractors which are under arbitration. Please provide details of such disputes/ claims.		Relevant data including arbitration details would be made available to Shortlisted Bidders through VDR for

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		<p>Does NMDC foresee any major challenges towards settlement of Contractor claims against NISP undergoing Arbitration ? What will / may be the impact on the project due to unsettled contractor claims if any ?</p> <p>Any other litigation which could materially impact the operations of the said plant.</p>		purpose of due diligence in Stage II of the transaction.
18.	Clause 3.6 Human Resource	<p>i. Grade-wise details of permanent employees and terms and conditions of contractual employees.</p> <p>ii. Treatment of present 1,626 employees of the NISP post disinvestment to be clarified.</p> <p>iii. Will there be any lock-in period applicable to the successful bidder for maintaining the present headcount of NISP (NSL)?</p>	Assessment of Manpower Cost and Liability Estimation	<p>Relevant data regarding employees would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.</p> <p>Employee Lock In Conditions would be a part of the transaction and the same would be informed to Shortlisted Bidders through Definitive Agreement(s) during Stage II of the transaction.</p>
19.		Human Resource – are there any trade unions for employees?	Clarifications sought to understand employee benefits and arrangements.	Details would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.

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<b>C</b>	<b>Raw Material Related Queries</b>			
20.	Clause 3.5.3 – Procurement of Iron Ore & Pellets	<p>Iron Ore to NSL will be supplied by NMDC from Which Mine / Mines and how far is that Mine from NSL Plant?</p> <p>What are the other options apart from proposed 10 year contract, available if any, for successful bidder for procuring of Iron Ore and pellets?</p>	To understand the availability of Raw Materials and Production cost estimation	<p>Refer Clause 5 wherein it is stated that “Iron ore may be sourced from NMDC owned mines in Chhattisgarh (Bailadila Deposit-14/11C, Bailadila Deposit-5, 10/11A) with proven iron ore reserves of approx. 412.17 million tonnes. These mines are located at a distance of approx. 123-145 km from the Plant.”</p> <p>Bidders would be required to assess raw material procurement options as part of due diligence process during Stage II of the transaction.</p>
21.		We understand that the Successful Bidder may enter into a long-term arrangement of 10 years with NMDC for supply of: (i) iron ore; and (ii) pellets from an upcoming pellet plant. Please confirm the terms of such supply contracts (i.e., quantum/ minimum guaranteed supply, quality, etc)	To understand the timing of potential business arrangements of NSL.	Details regarding the raw material supply agreements would be provided to Shortlisted Bidders during Stage II of the transaction.
22.	Clause 3.5.3 – Procurement of Iron Ore & Pellets	Long term agreements for supply of Iron Ore to be extended for 25-30 years by NMDC.	To ensure Raw Material Security.	Details regarding the raw material supply agreements would be provided to Shortlisted Bidders during Stage II of the transaction.



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23.	Clause 3.5.3 – Procurement of Iron Ore & Pellets	Possibility of sale of upcoming Slurry Pipeline & Pellet Plant to the IB or long term agreement to be extended for 25-30 years.	To ensure Raw Material Security.	Please refer Demerger Scheme approved by MCA & dated October 6, 2022 for details of the assets and liabilities being demerged. The Transaction is for strategic disinvestment of GoI's 50.79% equity stake in NSL along with transfer of management control.
24.	Clause 3.5.3 – Procurement of Iron Ore & Pellets	<ul style="list-style-type: none"> <li>i. Present completion status and capacity of the upcoming pellet plant.</li> <li>ii. Distance from Nagarnar Iron &amp; Steel Plant (NISP)?</li> <li>iii. How will the pellets be supplied to NISP from the Pellet plant?</li> </ul>	To understand the availability of Raw Materials and Production cost estimation	Details would be provided to Shortlisted Bidders during Stage II of the transaction.
25.	Clause 3.5.3 – Procurement of Iron Ore & Pellets	<p><i>“NMDC will enter into a long-term arrangement of 10 years for supply of iron ore at market prices with NSL.”</i></p> <ul style="list-style-type: none"> <li>a) Please confirm if the Agreement has been entered into between NMDC and NMDC Steel. If not, then please confirm whether the same would be entered into prior to completion of the proposed sale transaction and the terms thereof.</li> <li>b) How will the iron ore purchased under such long-term arrangement</li> </ul>	Clarification sought to determine the raw material availability and cost of procurement for the Company.	Details would be provided to Shortlisted Bidders during Stage II of the transaction.

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		<p>be transported from NMDC to the steel plant? Is the proposed arrangement ex-mine or on landed cost basis? What is the cost of transportation for the iron ore?</p> <p>c) Understand that NMDC is constructing a slurry pipeline from Bailadila to Vizag. Would this pipeline be available for transportation of iron ore from Bailadila to the steel plant in case the slurry is to be used by the steel plant?</p> <p>d) The IM mentions that successful bidder will be provided an option to enter into long term arrangement for supply of pellets from the upcoming pellet plant. What will the terms of supply of pellets from the pellet plant and can these terms be finalized upfront? What is the location and status of implementation of the pellet plant?</p> <p>e) As there are no pellets available as part of the steel plant complex, what is ratio of sinter and lump/pellets that has been considered in the blast furnace?</p>		

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26.		From where will metallurgical coal be sourced for the coke plant? In case coal is imported, which port will be used for import of coal and cost of transportation from port to the plant?	Clarification sought to understand economics of coal procurement.	Bidders would be required to assess raw material procurement options as part of due diligence process during Stage II of the transaction.
27.		Please provide list and details of all auxiliary facilities and balancing for each facility.	To understand capability of plant to 3.0 MTPA on integrated basis.	Relevant data would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction
28.		It is stipulated that NMDC shall enter into a long term arrangement with NSL for supply of iron ore at market price. In our considered view, any mineral based industry of such magnitude and complexity will be viable only if there is a raw material security in form of captive mines. Hence, it will be appropriate that a captive mine of appropriate capacity considering the potential expansion of the capacity, the slurry pipeline and and the pellet plant should be included in the transaction.	Inclusion of mines can add value to the transaction	The Transaction is restricted to disinvestment of 50.79% equity shares along with management control of NSL in favor of Strategic Buyer.
<b>D</b>	<b>Land Related</b>			
29.	Clause 3.3 - Land	Please clarify whether land has been transferred from NMDC to NSL. If not, please inform process and timelines for the same.	To understand the land status	Relevant 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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30.		Provide details of the unused land and the Layout for the Plant Area.	To explore the possibility of putting up the downstream facilities like CRM Complex.	Relevant data regarding plant layout maps would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
31.		Does NMDC have the Right of Use (ROU) of the land on which the power transmission line and substations is located ? What is the status of that land - freehold / Leasehold ?	To understand the land status	Relevant data would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction
32.		Please provide the following in relation to land - <ul style="list-style-type: none"> <li>• Facility-wise land details</li> <li>• Details of land area reserved for green belt</li> <li>• Land area of water reservoir</li> <li>• Vacant/unused land details</li> <li>• Land area provision for expansion of steel plant</li> </ul>	Clarification sought to determine expansion potential for plant and compliance with environmental laws.	Relevant data regarding plant layout, facility wise details, unused land and other details sought would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
33.		Please confirm if NSL is in possession of the requisite clearances required for the forest land of 62.62 hectares?	Clarification sought to determine expansion potential for plant and compliance with environmental laws.	Relevant data would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction.
34.		The Scheme of Arrangement mentions about 168.44 Hectares of Government land taken over from District Industries Centre (DIC), Jagdalpur for construction of steel	Clarification sought to determine expansion potential for plant and	Relevant 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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		plant near Nagarnar. Please confirm if this land has been included in table under Clause 3.3 of the Preliminary Information Memorandum (PIM). Also, confirm if this land is vacant or steel plant has been constructed on this land.	compliance with environmental laws.	
35.		The Scheme of Arrangement mentions about 71.24 Hectares of land for Pellet Plant. Please confirm if this land has been included in table under Clause 3.3 of the Preliminary Information Memorandum (PIM). Also, Clause 3.4 of the PIM does not mention a pellet plant as a production facility. Please confirm if the said 71.24 Hectares of land is vacant.	Clarification sought to determine expansion potential for plant and compliance with environmental laws.	71.24 Hectares of land for Pellet Plant is not included in table under Clause 3.3 of the Preliminary Information Memorandum (PIM). Please refer Demerger Scheme approved by MCA & dated October 6, 2022 for details of the assets and liabilities being demerged.
<b>E</b>	<b>Rehabilitation &amp; Resettlement Related</b>			
36.	Clause 3.3.1 - Rehabilitation and Resettlement	Rehabilitation and resettlement - Details of the arrangement. Does NSL need to take any further approval from the Government of Chhattisgarh from the PAPs for getting the land transferred in its name ?	To understand the land status	Relevant documents regarding the Rehabilitation and resettlement package would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
37.		Please provide the current status of pending litigations as of 31.12.2022, in the matter of land acquisition for the project by NMDC undertaken in years 2001, 2010 & 2012.	To understand the estimated contingent liabilities associated with the project.	Relevant data would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.

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38.		What is the amount of contingent liability against pending litigation of Project Affected Persons (PAP's)?	To understand the estimated contingent liabilities associated with the project.	The amount of contingent liability against pending litigation of project affected persons (PAPs) cannot be assessed at this stage. To the extent ascertainable, the same will be made available to Shortlisted bidders in Stage II of the transaction.
39.		We note that 97 cases in relation to Project Affected Persons are pending with the District administration, and subsequent to the disinvestment of NSL, any pending rehabilitation and resettlement activities will need to be undertaken by the Successful Bidder. What is the approximate monetary liability of NSL in relation to the outstanding cases?	To determine potential liabilities of NSL which may need to be absorbed by the Successful Bidder.	Relevant data would be made available to Shortlisted Bidders through VDR for purpose of due diligence in Stage II of the transaction
40.		Please provide the reasons for rejection of 37 cases under Resettlement & Rehabilitation (R&R) policy and the probability of Occurrence of litigations in future due to these rejections.	To understand the estimated contingent liabilities associated with the project.	Relevant documents regarding the Rehabilitation and Resettlement package would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
41.		909 nos. out of 1168 of the Total project affected persons (PAP's) by land acquisition are in employment with the company. Are they included in total employee count of 1626 for the plant as of 31.07.2022 ?		Relevant data regarding the Rehabilitation and resettlement Package, employee count and the total PAP in the employee count would be made available to

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				Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
42.		The Plant is located at Bastar district of Chhattisgarh, which happens to be a tribal area / belt. Are there any socio economic / political challenges due to the presence of tribals in this area? If Yes, then what are the present arrangements by/with state government and NMDC to deal with such Issues / challenges.		The R&R Package aims to address the socio economic factors. The Company has a Rehabilitation and Resettlement package, in line with the Chhattisgarh Ideal Rehabilitation Policy 2007, to support the families affected in the land acquisition. As part of the Rehabilitation and Resettlement package, employment opportunities to one member of each Project Affected Family against acquisition of land is being provided.
43.	Clause 3.3.1	Subsequent to disinvestment of NSL, any pending Rehabilitation and Resettlement activities would have to be undertaken by the bidder identified through the competitive bidding process. As afore stated, all legacy cases including R&R may be excluded from the current transaction and may be settled by the current owner directly.	To fast track the project & to minimize operational hindrance	There is no change proposed in said Clause of PIM (Clause 3.3)

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<b>F</b>	<b>Agreements/ Permits &amp; Consents</b>			
44.	Clause 3.8 - Statutory Permits & Licenses	Completed List of Statutory Permits & Licenses Status as on date. Steps taken for renewal of expired licenses and permits.	Some of the licenses have already expired/nearing expiry.	As per Clause 3.8 of PIM "Approvals expiring or other approvals /permissions are proposed to be sought as and when required"  Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
45.	Clause 3.8 - Statutory Permits & Licenses	Why is there no validity period applicable for the Environmental Clearance received for the plant ?	Liability Estimation	Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
46.	Clause 3.8 - Statutory Permits & Licenses	The Consent under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 was valid till August 2022 and has therefore expired. Please state the current status of the consent.	Clarification sought from the point of view of compliance with environmental laws.	Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
47.	Clause 3.8 - Statutory Permits & Licenses	Please provide details on the following – <ul style="list-style-type: none"> <li>• Validity of Environmental Clearance</li> <li>• Status of CTO of each of the facilities</li> <li>• Status of rail transport clearance from Indian Railways</li> </ul>	Clarification sought from the point of view of compliance with environmental laws.	Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.



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48.	Clause 3.8	The clause contains status of key statutory permits and licenses. Please provide exhaustive list of permits/licenses along with nodal authority, status and validity. Esp – BOCW Act, Factories Act, Industrial Disputes Act, etc.	To further understand requirements for approvals.	Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
<b>G</b>	<b>Status of Completion of Plant</b>			
49.	Clause 3.9- Status of the Project	In the PIM, the overall progress status of physical works in the plant has been made available upto 15.11.2022. Please provide the progress status of physical works as of 31.12.2022.  Will all the Major Milestones targeted for commissioning of the plant be completed by 31st March 2023 ?	Plant completion status and Capex to be Incurred	Relevant documents regarding latest status of progress would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.  As per current estimates, the targeted date for commissioning of the plant remains as 31 <sup>st</sup> March 2023.
50.		Current Status of Project (Refractories Erection of SMS & TSCR)	To ascertain the current progress of Refractories Supply & Erection schedule. The progress for SMS is critical.	Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction. Additionally, the same can be assessed by Shortlisted Bidders during site visits to the Plant Site.
51.		Status of Completion of Railway Siding, length of railway siding and start and end point of Railway Siding		Relevant documents would be made available to Shortlisted Bidders as

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				part of the VDR for due diligence during Stage II of the transaction.
<b>H</b>	<b>Logistics &amp; Transportation</b>			
52.	Clause 3.2- Plant Location and Accessibility	The Railway siding at NSP has been constructed from which point / Location to which Point / Location and for how many Kilometers ?		Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
53.		Is the Railway Siding sufficient for transportation of 100% of the Raw Materials and finished goods to / from the plant ? If not then what % of total raw materials & Finished goods can be transported using Railway Siding ?		The railway siding is sufficient for transportation of 100% of both incoming raw materials and dispatch of finished products as per the DPR approved by Railways.
54.		In absence of complete railway siding as required, if the Raw Materials / Finished Goods have to be transported by Road, then whether any statutory / regulatory approvals is required for the same ?		The same is to be assessed by Shortlisted Bidders as part of their due diligence process. Further data would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
<b>I</b>	<b>Others</b>			
55.	Clause 3.4.1 - Project Contracts and Equipment Suppliers	The equipment and other supplies seem to be out of Guarantee & Warranty. Has any extension has been taken from technology suppliers ?	To understand the counter measures to be taken for upgradation of hardware & software licenses to tackle obsolescence &	Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part A	Clarification/ Additional Information required	Rationale for clarification or additional information required	
			ascertain the extent of investment.	
56.	Clause 3.4.2 - Product Mix	The IM mentions that the Plant can produce products such HR coils/ sheets, HR plates, API plates, LPG cylinders, grades of high carbon steel, silicon steel, automotive steel etc. Please confirm that the plant has technological capability/ technology to produce all these grades mentioned in the product mix. Please confirm that there is no incremental capex envisaged to be incurred for producing such higher end grades.	Clarification sought to understand the capability of the company to produce the specified product mix.	Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
57.	Clause 3.4.2 - Product Mix	Please share the productivity calculations for Steel Melt Shop & Thin Slab Caster with HS Mill	To know the maximum potential of HR Production as the production as per the PIM is shown at 2.896 MTPA.	Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.
58.	Clause 3.5.1- Water Requirement and Availability	Water Supply – please provide clarifications on the below - a) Availability of water during summer season b) Water pipeline details like water intake well, power connection at intake well, water pumping station, pipeline diameter, land details of water pumping station, etc.	Clarification sought to determine the water supply availability	Water is available round the year.  Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part A	Clarification/ Additional Information required	Rationale for clarification or additional information required	
		<p>c) What is the estimated water requirement of the plant on daily basis? Are there any facilities at plant premises to use recycled water or availability of water storage Pits if any ?</p> <p>d) Is Water at Sabari River available throughout the year for withdrawal for plant use ? Is there any barrage facility available at Sabari river ?</p> <p>e) Are there any other entities who have been allowed to withdraw water from Sabari river ? If yes, then how many?</p> <p>f) Are there any regulatory recurring charges payable by successful bidder to forest department for supply of water to the plant by laying of underground water pipelines from Sabari river through forest land ?</p> <p>g) Phase-wise water drawal plan to be shared.</p>		
59.	Clause 3.5.2 – Power Supply	Power Supply: Please provide terms of power supply agreement with CSPDCL – whether the successful bidder would be obligated to continue to purchase power under the agreement?	Clarification sought to determine the cost and terms of power procured from CSPDCL.	Relevant documents including the Power Supply Agreement(s) would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part A	Clarification/ Additional Information required	Rationale for clarification or additional information required	
				transaction. Termination Clause of such Agreement (s) can be evaluated during due diligence stage.
60.	Clause 3.5.2 – Power Supply	Maximum Power Demand is 251 MW & Captive Power Generation is 100 MW, which implies power requirement from the Grid is only 151MW. Please clarify, if the sanctioned power requirement of 268MVA is having a buffer of almost 100 MW for future expansion.		<p>NMDC has entered into an agreement with CSPDCL in 2011 for supply of 268MVA (241MW) operational power to its steel plant. This is considering the plant requirement of 296 MW out of which the firm generation of powerplant is considered as 55MW (Installed capacity 100MW) and balance 241MW to be imported from state grid. However, considering the present requirement, the revised maximum contract demand with CSPDCL is 60 MVA which can be further enhanced upto 268 MVA as per the actual requirement of the steel plant.</p> <p>Relevant documents would be made available to Shortlisted Bidders as part of the VDR for due diligence during Stage II of the transaction.</p>
61.	Clause 3.5.4 - Transportation of Raw Material	Is NH-43, a motorable road with all utilities in place as required for transportation of		Road Over Bridge (ROB) at KM 312/10 on NH-63 (formerly NH-43) is completed in all respect and is opened

S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part A	Clarification/ Additional Information required	Rationale for clarification or additional information required	
	and Finished Goods	raw materials and finished goods required for manufacturing units ?		for traffic. NH-63 is a 2-lane motorable road with all the utilities as required for transportation of raw materials and finished goods required for manufacturing units in place. Repair and maintenance of Both the ROB and its approach roads connecting both sides of NH-63 are under scope of NHAI/PWD, Jagdalpur/ Government of Chhattisgarh. The Shortlisted Bidders may also assess the same as part of site visit.

## 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	<b>Clarification on Documentary Submissions</b>			
1.	Clause 7 - Annexures	Value of Stamp Paper for various annexures		Stamp paper of Rs 100 maybe used.
2.	Clause 7 - Annexure 6	Date of Affidavit	Clarity on documentary submissions	Date of Affidavit to be after/ on last date of execution of all other EOI documentary submission.
3.	Annexure 2: Form A	<p>Clause B (2) requires the details of the organization structure of the IB indicating the identity of the natural persons who are the <i>'Ultimate Beneficial Owners'</i>.</p> <p>Given that IB is a listed company, it has large number of public shareholders, and therefore, IB will be able to provide details of <i>'Ultimate Beneficial Owners'</i> with respect to its <i>'Promoters'</i>. We assume that will be adequate.</p>	Clarification sought for being in compliance with the intended process.	IB is required to provide the details of Promoters as well as UBO details for shareholders holding more than 10% of the equity share capital of IB.
4.	Annexure 2: Form A  Clause E	<i>"IB/ Consortium Member to provide names and addresses of those companies and professional firms, if any, who are (or will be) advising the IB / Consortium/ Consortium Member for the Transaction, together with the</i>	Professional firms and advisors (if required) would be appointed in next stage of the transaction.	<p>The said information is a part of requirement as per Annexure 2.</p> <p>Refer Annexure 2 – Important Note wherein it is mentioned that</p>

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	Clause No. Part B	Clarification/ Additional Information required	Rationale for clarification or additional information required	
		<p><i>names of the principal individual advisors at those companies and firms".</i></p> <p>The above details are of not much relevance at this stage as advisors would be appointed only in the next stage post being shortlisted as IB. IB should have the flexibility to change/ replace such agencies/ professionals at any point of time and will provide the requisite information.</p>		<p>If the IB/ 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 Format, with the words "<b>No response given</b>" mentioned against it, stating reasons for the same</p>
5.	Annexure 6	<p><b>Clause 7</b></p> <p><i>"I state that, in the event [insert name of the IB/ Consortium Member] is 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. "</i></p> <p>Clause seems to be incomplete.</p>	<p>Clarification sought for being in compliance with the intended process.</p>	<p>Please read the Clause as</p> <p><i>"I state that, in the event [insert name of the IB/ Consortium Member] is 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 <b><u>the same would be communicated to the Transaction Advisor within 7 business days of such disqualification/ineligibility.</u></b>"</i></p>
6.	Annexure 9	<p><b>Net Worth Certificate Format</b></p> <p>The Net Worth Certificate format currently shows a single line</p>	<p>Clarification sought for being in compliance with the intended process.</p>	<p>The Certificate from Statutory Auditor / Independent Chartered</p>



S. No.	Queries from Interested Bidders			Response to Queries
	Clause No. Part B	Clarification/ Additional Information required	Rationale for clarification or additional information required	
		specifying the amount of Net Worth as on a specific date. Does the Certificate also needs to specify the calculation for Net Worth as laid down in clause 3.2.3 of the request for EOI document?		Accountant needs to be accompanied with basis of calculation of networth.
7.	Annexure 10	<p><b><u>Format of Certificate for Shareholding Pattern</u></b></p> <p>Please confirm that in case of a listed company, the certificate can contain details of the Shareholders in the format as available on stock exchanges, in place of the table as provided in the Annexure.</p>	A listed IB would have large number of shareholders, making it cumbersome to list names of all shareholders. The Shareholding Pattern as available on Stock exchanges (in the format prescribed by SEBI), and duly verified in accordance with the requirements of the Annexure should provide sufficient information required under the Annexure.	Certified Shareholding Pattern in format prescribed by SEBI maybe submitted.
<b>B</b>	<b>GENERAL BID CONDITIONS</b>			
8.	Clause 4.3.1 (Withdrawal/ Change of EOI)	While we understand that an IB cannot be replaced by another subsidiary of its parent or an SPV created by its parent , we request that an express clarification is included to exclude change in the composition of the IB due to any intra -group corporate restructuring or reorganization ( including by way	To confirm that an ongoing merger involving the IB its group companies , pursuant to which its parent will be amalgamated into the IB will not result in any disqualification.	IB to provide information regarding the ongoing intra-group corporate restructuring or reorganization (including by way of merger, amalgamation etc.) involving the IB or the Parent and the associated entities at time of EOI submission. GoI may take decision thereafter.

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 merger, amalgamation etc) involving the IB, as long as the management of IB remains the same as disclosed to GoI		
9.	4.3.9 (Other Conditions)	While we understand that the change of control requirements will 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.	To confirm that any ongoing merger involving the IB and the Parent, pursuant to which the parent will be amalgamated into the IB, will not trigger any change in control restriction.	IB to provide information regarding the ongoing intra-group corporate restructuring or reorganization (including by way of merger, amalgamation etc.) involving the IB or the Parent and the associated entities at time of EOI submission. GoI may take decision thereafter.
10.	4.3.2, 4.3.3 (Other Conditions) and 6.2 (Disqualification)	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 “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. Similar	As per Clause 4.5, Security Clearance as per extant DIPAM guidelines will be conducted for Shortlisted Bidders as part of Stage II of the transaction.

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 NSL or its directors; (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.	divestment transactions have also excluded promoter group and associates from the disqualification criteria.	
11.	4.3.12 (Open Offer Guidelines)	We understand that upon the demerger scheme being made effective, NSL will be listed on Indian stock exchanges. Please confirm if the Successful Bidder will be permitted to delist NSL following completion of the Proposed Transaction.	To understand the obligations of the Successful Bidder post-completion of the Proposed Transaction.	Relevant clarifications would be made available to Shortlisted Bidders as part of the Definitive Agreement (s) during Stage II of the transaction.