

Date: August 02, 2019

STEEL AUTHORITY OF INDIA LIMITED

GLOBAL INVITATION FOR EXPRESSION OF INTEREST (EOI) FOR PROPOSED STRATEGIC DISINVESTMENT OF ALLOY STEELS PLANT (ASP) AT DURGAPUR BY STEEL AUTHORITY OF INDIA LIMITED

IMPORTANT NOTICE**Response to Queries of Interested Bidders**

This has reference to the advertisement and Preliminary Information Memorandum issued on July 04, 2019 for inviting Expressions of Interest from Interested Bidders for strategic divestment of Alloy Steels Plant of Steel Authority of India Limited (SAIL) uploaded on websites of DIPAM at www.dipam.gov.in, Ministry of Steel at www.steel.gov.in, Company at www.sailtenders.co.in and Transaction Advisor at www.sbicaps.com.

<i>Frequently Asked Questions – Alloy Steels Plant</i>		
S. No.	Questions	Answers
1	Please provide following details of machinery a. Name of supplier b. Make /brand/name of manufacture c. Year of installation d. Technical Description e. Main Equipment Group name f. Last used date g. Written down value	<i>The equipment related information has been provided in the PIM & Request for EoI dated 4th July, 2019. Further details as required will be shared at the time of RFP.</i>

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2	Land (in terms of legal ownership and any practical risk in actual possession of land)	<p><i>As indicated in the PIM, the plant is being divested on “as is, where is” basis. Pursuant to clause Clause 3.2.(B).(iii) of the Request for EoI, interested Bidders are expected to carry out their own due diligence, independent assessment and appraisal of the plant and the Transaction.</i></p> <p><i>Shortlisted Bidders shall be provided with relevant documents relating to land etc. at the RFP stage to assist with their due diligence.</i></p>
3	Equipment details : Equipment being old, equipment last 5 years operational efficiency parameter	<p><i>The equipment related information has been provided in the PIM & Request for EoI dated 4th July, 2019. Further details as required will be shared at the time of RFP.</i></p>
4	Any Possible synergy of commercial transaction at arm’s length basis due to vicinity of DSP	<p><i>As per PIM, Clause 3.2.1, residential quarters, out of the township area situated on DSP owned land, would be provided to ASP – Divested Unit on lease/ leave and license basis at market determined rates on the principle of arms’ length, for a period of 5 years.</i></p> <p><i>Further, as per PIM, water (Clause 3.4.1) is proposed to be supplied to ASP - Divested Unit from DSP on long term basis at rates determined on the principle of arms’ length, subject to necessary approvals.</i></p> <p><i>Further, as per PIM, power (Clause 3.4.2) is proposed to be supplied, for a period of 1 (one) year, at market determined rates on the principle of arms’ length, subject to necessary approvals.</i></p> <p><i>Further, as per PIM, coke oven gas (Clause 3.4.3) and hot metal (Clause 3.1.7.(c) of the Request for EoI) is proposed to be supplied to ASP - Divested Unit from DSP for 1 (one) year at market determined rates, subject to</i></p>

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		<i>availability. The commercial details of the above shall be shared at RFP stage.</i>
5	Any risk due to vicinity of DSP	<i>As indicated in the PIM, the plant is being divested on “as is, where is” basis. Pursuant to clause Clause 3.2.(B).(iii) of the Request for EoI, interested Bidders are expected to carry out their own due diligence, independent assessment and appraisal of the plant and the Transaction.</i>
6	For preliminary assessment of the plant and its locational advantage and disadvantage, we would like to have a site visit before submission of our EOI	<i>Bidders may coordinate with TA to firm-up the details of the site visit.</i>
7	Wherever there is a requirement of providing certificate/document from the Statutory Auditor-Request to allow us to provide the same from the statutory auditor/ independent chartered accountant.	<i>As per PIM & Request for EoI dated 4th July, 2019</i>
8	Provide the amount and date of last repair and maintenance carried out for each of the 3 plants.	<i>Repair and Maintenance is a continuous activity. The details regarding cost, expenditure of various nature by the Plant have been shared in the detailed accounts which can be downloaded from the link as mentioned in the PIM & Request for EoI dated 4th July, 2019. Further details will be shared at the RFP stage</i>
9	Details of Machinery for all assets group available for sale.	<i>The information on assets has been provided in the respective PIM & Request for EoI dated 4th July, 2019. Further details, as required will be shared at the</i>

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		<i>RFP stage.</i>
10	Kindly extend the date of submission of EOI for ASP, SSP and VISP by 2 weeks considering the amount of details required to be submitted with the EOI.	<i>Refer to the date extension notice uploaded on the DIPAM, SAIL, Ministry of Steel & SBICAPs websites.</i>

Responses to other questions raised by Interested bidders will be given shortly.