

PRELIMINARY INFORMATION MEMORANDUM

Global Invitation For Expression of Interest
for
STRATEGIC DISINVESTMENT OF
NEELACHAL ISPAT NIGAM LIMITED



by



(Strictly Private & Confidential)

Transaction Advisor



SBI Capital Markets Limited

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Note: Capitalized terms not defined shall have the same meaning ascribed to them in the Request for Expression of Interest.

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ABBREVIATIONS

AIF	Alternative Investment Fund
BOF	Basic Oxygen Furnace
CCEA	Cabinet Committee of Economic Affairs
CCP	Continuous Casting Plant
CGD	Core Group of Secretaries on Disinvestment
CIM	Confidential Information Memorandum
CDCP	Coke Dry Cooling Plant
CRM	Cold Rolling Mill
CWIP	Capital work in progress
DIN	Director Identification Number
DIPAM	Department of Investment and Public Asset Management
EAF	Electric Arc Furnace
EBITDA	Earning before Interest Tax Depreciation and Amortization
ESP	Electro Static Precipitator
FFCB	Flux & Fuel Crushing Building
GoI	Government of India
GCP	Gas Cleaning Plant
GTG	Gas Turbine Generator
HRSG	Heat Recovery Steam Generator
IB	Interested Bidder
IPICOL	Industrial Promotion & Investment Corporation of Odisha Limited
LA	Legal Advisor
LF	Ladle Furnace
MGD	Million Gallons per Day
MoEF	Ministry of Environment and Forest
MT	Metric Tonne
MTPA	Metric Tonne Per Annum
NINL	Neelachal Ispat Nigam Limited
PAN	Permanent Account Number
PAT	Profit after Tax
PBDT	Profit before Depreciation and Tax
PBDIT	Profit before Depreciation, Interest, and Tax
PCM	Pig Casting Machines
PIM	Preliminary Information Memorandum
Rs.	Indian Rupees
SGP	Slag Granulation Plant
SMS	Steel Melting Shop
SPV	Special Purpose Vehicle
STG	Steam Turbine Generators
TPA	Tonnes per Annum
WHRB	Waste heat recovery boiler

IMPORTANT NOTICE

Neelachal Ispat Nigam Limited (“NINL” or “The Company”) was incorporated in 1982 to set-up an Integrated Steel Plant (ISP) to undertake manufacturing and sale of steel products. The major shareholders of NINL include MMTC, IPICOL, NMDC Ltd & The Orissa Mining Company Ltd (OMC).

The Cabinet Committee on Economic Affairs (“CCEA”) on 8th Jan 2020 has given 'in principle' approval for strategic disinvestment of equity shareholding of MMTC (49.78%), NMDC (10.10%), MECON (0.68%), BHEL (0.68%), IPICOL (12.00%) and OMC (20.47%) in Neelachal Ispat Nigam Limited (NINL) to a strategic buyer, identified through a two-stage auction procedure.

This Preliminary Information Memorandum (PIM) and Request for Expression of Interest (EOI Request) has been prepared for providing information about the Company and the Transaction to the Interested Bidders and inviting Expressions of Interest from Interested Bidders for the disinvestment of 100 per cent shareholding of Minerals & Metals Trading Corporation Limited (MMTC) (49.78%), National Mineral Development Corporation (NMDC) (10.10%), MECON (0.68%) and BHEL (0.68%) and two Government of Odisha State PSUs namely Industrial Promotion & Investment Corporation of Odisha Limited (IPICOL) (12%) and Odisha Mining Corporation Limited (OMC) (20.47%) in Neelachal Ispat Nigam Limited (NINL) (“NINL”).

This document has been divided into 2 parts:

- **Part A:** Preliminary Information Memorandum
- **Part B:** Request for Expression of Interest

The Preliminary Information Memorandum (“PIM”) and Request for Expression of Interest (“EOI Request”) are available for downloading from websites of DIPAM at www.dipam.gov.in, Ministry of Commerce & Industry at www.commerce.gov.in, Company at www.ninl.in and Transaction Advisor at www.sbicaps.com.

PART A –PRELIMINARY INFORMATION MEMORANDUM

1. INTRODUCTION

Neelachal Ispat Nigam Limited (“The Company” or “NINL”) was incorporated in 1982 to set-up an Integrated Steel Plant (ISP) to undertake manufacturing and sale of steel products. NINL’s manufacturing unit is located at Kalinganagar Industrial Complex, Duburi, Odisha. The Company has built its manufacturing facility in two phases (Phase I & Phase II). In Phase I, the Company had set up the blast furnace (1.1 MTPA) to produce pig iron which was commissioned in 2002. Subsequently, other supporting facilities like Sinter plant, Coke oven plant, Power plant were commissioned. The major shareholders of the Company include MMTC, IPICOL, NMDC Ltd & The Orissa Mining Company Ltd (OMC).

The Company thereafter set up a Steel Melting Shop (SMS) with installed capacity of 897000 TPA for producing billets as Phase II capacity expansion plan along with Continuous Casting Shop, Ladle Furnace, Billet Caster and other auxiliary facilities which were commissioned during FY 2014. NINL has also been allotted a captive iron ore mine in Odisha having an estimated mineable reserve of around 90.91 million tonne.

The Company’s authorized capital as on September 30, 2019 is Rs. 1,900 Crore (1,90,00,00,000 equity shares of Rs. 10.00 each), issued and subscribed capital is Rs. 747.64 Crore (74,76,40,143 shares of Rs. 10.00 each) and paid up share capital is Rs. 740.71 Crore (73,37,88,143 shares of Rs.10.00 each and 1,38,52,000 shares of Rs.10/- each allotted as partly paid up shares of Rs. 5/- each). Out of the total shares, MMTC owns 49.78% of the share capital, IPICOL owns 12.00%, NMDC owns 10.10% and OMC owns 20.47%.

The Cabinet Committee on Economic Affairs on 8th Jan 2020 has given 'in principle' approval for strategic disinvestment of equity shareholding of MMTC (49.78%), NMDC (10.10%), MECON (0.68%), BHEL (0.68%), IPICOL (12.00%) and OMC (20.47%) in Neelachal Ispat Nigam Limited (NINL) to a strategic buyer, identified through a two-stage auction procedure.

This Preliminary Information Memorandum (PIM) has been prepared with the purpose of providing information regarding Neelachal Ispat Nigam Limited and solicit Expression(s) of Interest from Interested Bidders for sale of the Company.

2. COMPANY OVERVIEW

2.1 Introduction

Neelachal Ispat Nigam Limited (“The Company” or “NINL”) was incorporated in 1982 to set-up an Integrated Steel Plant (ISP) to undertake manufacturing and sale of steel products. NINL’s manufacturing unit is located at Kalinganagar Industrial Complex, Duburi, Odisha. The Company has built its manufacturing facility in two phases (Phase I & Phase II). Both Central and State PSUs jointly own the Company. The major shareholders of the Company include MMTC, IPICOL, NMDC Ltd & The Orissa Mining Company Ltd (OMC).

2.2 Capital Structure of NINL

The Capital Structure of NINL, as on March31, 2020, is given below:-

Table 2-1: Capital structure and shareholding pattern of NINL

Particulars	Amount (Rs. Crore)
Authorized capital	
190,00,00,000 equity shares of Rs. 10/- each	1900.00
Issued & Subscribed Capital	
74,76,40,143 equity shares of Rs.10/- each	747.64
Paid Up Capital	
73,37,88,143 equity shares of Rs.10/- each	733.79
1,38,52,000 equity shares of Rs.10/- each allotted as partly paid up shares of Rs. 5/ - each	6.92**
Total	740.71

** These partly paid up shares are subscribed by two companies’ i.e. G. A. Danieli India Ltd. and SMS India Pvt. Ltd. who were suppliers of the Company during 1999-2000. They had subscribed shares as partly paid up and it was agreed that balance unpaid amount will be called and paid at the time of winding up of the Company.

2.3 Shareholding Pattern

The Shareholding Pattern of NINL, as on March 31, 2020, is given below:-

Sl. No.	Name of the Shareholders	Shareholding (As on 31.03.2020)				
		No. of shares	Share Capital (In Rs./Cr.)	Share Premium (In Rs.)	% of Share Capital Holding	Total Share Capital with Premium (Rs./Cr.)
1	MMTC	368,762,744	368.76	90.34	49.78	459.11
2	IPICOL (Including Nominees)	88,868,589	88.87	-	12.00	88.87
3	OMC	151,598,530	151.60	55.35	20.47	206.95
4	NMDC	74,799,878	74.80	25.80	10.10	100.60
5	MECON	5,000,000	5.00	-	0.68	5.00
6	BHEL	5,000,000	5.00	-	0.68	5.00
7	BECO	700,000	0.70	-	0.09	0.70
8	G. A. Danieli India Ltd. (Rs. 5/- each paid up)	1,000,000	0.50	-	0.07	0.50
9	SMS India Pvt. Ltd. (Rs. 5/- each paid up)	12,852,000	6.43	-	0.87	6.43
10	IDBI Bank Limited	18,846,796	18.85	5.88	2.54	24.73
11	IFCI Limited	2,292,501	2.29	0.75	0.31	3.04
12	Life Insurance Corporation of India	4,422,944	4.42	1.44	0.60	5.87
13	General Insurance Corporation of India	216,112	0.22	-	0.03	0.22
14	National Insurance Company Limited	129,305	0.13	-	0.02	0.13
15	Bank of Maharashtra	1,887,847	1.89	-	0.25	1.89
16	Syndicate Bank	1,961,874	1.96	-	0.26	1.96
17	Oriental Bank of Commerce	1,298,091	1.30	-	0.18	1.30
18	United Bank of India	1,065,896	1.07	-	0.14	1.07
19	State Bank of Mysore	1,015,718	1.02	-	0.14	1.02

Sl. No.	Name of the Shareholders	Shareholding (As on 31.03.2020)				
		No. of shares	Share Capital (In Rs./Cr.)	Share Premium (In Rs.)	% of Share Capital Holding	Total Share Capital with Premium (Rs./Cr.)
20	Central Bank of India	5,921,243	5.92	1.93	0.79	7.85
21	Subscribers to MOA	75	0.00	0.00	0.00	0.00
	Total	747,640,143	740.71	181.50	100.00	922.21

NINL has stated that Rs 159 Cr has been infused by way of equity by MMTC and OMC in H1FY20.

2.4 Board of Directors of NINL

The Board of Directors of NINL comprised the following members:

Table 2-2: Brief Profile of Board of Directors of NINL (as on 06.05.2020)

Name & Designation	Date of Birth	DIN	PAN	Qualification
Functional Directors				
Shri S. V. Shahi Whole Time Director- VCMD(I/C) & DF	20.04.1959	07869398	AALPS9990A	B. E (Metallurgy) ICWA
Nominee Directors				
Shri A. Sondhi Chairman, NINL	15.09.1961	02653076	ATWPS6165R	-
Shri K K Gupta Director (Finance)	13.04.1969	08751137	ACHPG7666F	CA
Shri J. Ravi Shanker Director	21.07.1965	06961483	AAAPJ0071C	-
Shri R R Sinha	02.09.1964	08487833	AFNES4771E	Masters in Labour and Social Welfare

Name & Designation	Date of Birth	DIN	PAN	Qualification
Shri R. K. Sharma, IAS Director	25.08.1963	02547393	ADQPS3922E	-
Shri N. B. Jawale, IAS Director	08.12.1975	03204116	AAMPC4875B	-
Shri S. Mohanty Director	13.12.1963	07682761	AAPPM9576Q	-
Shri P. K. Satpathy Director	28.08.1961	07036432	AJNPS3432J	-

Source: Company/ MMTC

2.5 Financial Overview

Key financial indicators of NINL for the past 5 years ended March 31, 2019 and 9 months ended 31.12.2019 are provided below.

Table 2-3: Key financial indicators of NINL– (FY15-FY19, 9MFY20)

Particulars	Rs. Crore						
	FY15	FY16	FY17	FY18	FY19	H1FY20	9MFY20
Net Sales	1,243.94	1,073.65	1,171.89	904.89	2,005.43	647.91	801.18
Operating EBITDA	36.26	5.65	-17.87	-26.91	-2.84	-161.15	-360.42
EBITDA (Inc Other Income)	40.13	17.53	1.44	-0.93	17.05	-155.39	-354.00
Depreciation	100.88	105.08	180.99	173.88	150.53	75.57	12.89
Interest	172.83	243.28	359.93	388.42	466.26	231.14	359.84
PAT	-232.67	-333.07	-355.77	-377.66	-402.19	-534.10	-826.73
Net Worth	527.53	181.89	-175.14	-552.06	-956.49	-	N/A
						1,332.23	
Fixed Assets (Incl. CWIP)	3,028.89	3,031.48	2854.04	2743.98	2,614.41	2,577.60	N/A
Intangible Assets under development^			119.96	130.91	179.87	189.65	N/A
Long Term Loans	1,235.39	1,772.68	1,897.49	1,543.88	1,397.82	1,293.85	N/A
Current Maturities of Long Term Loans	419.10	154.79	281.43	403.87	325.89	N/A	N/A

Particulars	FY15	FY16	FY17	FY18	FY19	H1FY20	9MFY20
Short Term Borrowings*	880.09	825.04	1,044.10	1,515.09	1,542.14	1,556.71	N/A
Current Assets	388.08	280.47	398.65	403.81	545.99	528.47	N/A
Current Liabilities	1,599.58	1,369.54	1,845.94	2,646.22	3,388.32	3,778.83	N/A

Source: Audited Annual Reports, Limited Review Financials * Part of Current Liabilities

^ Mine Development Cost

Current Liabilities includes MMTC's Loans/ Advances to NINL as under:

Table 2-4: NINL Current Liability dues to MMTC

Nature of Loans & Advances	Rs. Crore							
	FY15	FY16	FY17	FY18	FY19	H1FY20	9MFY20	FY20
Working Capital Loan/Borrowing from related party	719.15	786.64	1096.48	1425.00	1425.00	1425.00	1425.00	1425.00
Other current liability – Trade Credit Advance (Revenue receipt in advance by NINL)	147.85	144.00	231.00	361.70	1169.00	1531.00	1691.34	1796.00
Total	867.00	930.64	1327.48	1786.70	2594.00	2956.00	3116.34	3221.00

Source: MMTC/ Dept of Commerce vide letter dated 11.09.2020. Figures as on 31st March 2020 are subject to audit as FY20 accounts of NINL are not yet audited.

- MMTC's equity of Rs.459.11 Crore is in addition to Loans/Advances indicated above.
- Additionally, MMTC has provided Corporate Guarantee of Rs.1471.70 Crore to Banks/Financial Institutions for borrowings of NINL
- NINL has provided Corporate Guarantee (CG) of Rs. 2800 crores as on 08.08.2019 to MMTC to secure the re-payment of Loans/Advances extended by MMTC to NINL. As informed by Department of Commerce vide letter dated 11.09.2020, this Corporate Guarantee (CG) is likely to be updated to Rs. 3300 crores after the Accounts of NINL of 2019-20 are finalized.

3. DETAILS OF NINL PLANT

3.1 Plant Location and Connectivity

NINL is located in district Jajpur about 100 km from Bhubaneswar. It has proximity to Iron Ore Mines, Sea Port, Railway Network and Express Highway. It is located at a distance of:

- i. 3 Km from Paradeep Daitari Expressway
- ii. 15 Km from Jajpur Railway Station
- iii. 30 Km from existing Iron Ore Mines at Daitari of Odisha Mining Corporation
- iv. 45 Km from National Highway
- v. 120 Km from Paradeep Sea Port

3.2 Plant Facilities

The Integrated Steel Plant of Neelachal Ispat Nigam Limited at Duburi, Odisha has the following major production facilities:

- Sinter plant
- Blast furnace with pig casting facilities
- Coke oven and by-product plant
- Power generating station
- Steel Melt shop with BOF and caster

The below write up regarding the plant facilities is based on TEV Report of MECON dated August 2019. The plant is completely non-operational as on date and there are no plant operations since March 2020.

3.2.1 Sinter Plant

Existing Unit

Neelachal Ispat Nigam Limited (NINL) is presently having one sinter plant, consisting of one sinter machine with 180 m² sintering area. The sinter plant was commissioned in the year 2004. The sinter plant was installed with capacity to produce about 1.71 Mt of product sinter per annum, at rated specific productivity of 1.2 t/m²/h. The sinter plant availability is 330 days or 7920 hours per annum, 3 eight hours shift a day.

Main Plant Facilities

The sinter plant consists of the following major technological units:

- a) Raw feed storage bins and Proportioning system
- b) Mixing and Nodulizing Drum
- c) Sintering & cooling system
- d) Cold sinter screening system
- e) Waste gas dedusting ESP
- f) Exhaust main fan
- g) Plant dedusting ESP& fan
- h) Material handling system : Belt conveyor galleries and Transfer stations
- i) Plant support facilities and utilities

Further, as per annual report of FY2019, highest ever gross sinter production since inception of 11,85,750 MT was achieved.

3.2.2 Blast Furnace Plant

The blast furnace shop comprises of one furnace of 1915 m³ of useful volume and two nos. double strand pig casting machines each of capacity 200t/hr. The existing Blast Furnace of Neelachal Ispat Nigam Ltd. (NINL) was used furnace, brought from ILVA-Italy and re-installed at Duburi, Orissa during the period 1998-2001.

The blast furnace was commissioned on 2nd Feb'2002 and started producing hot metal which is cast into pigs in pig casting machines. Initially entire hot metal produced from Blast Furnace was cast into pigs in pig casting machines as finished product but after installation of Steel Miting Shop (SMS), part of hot metal has been used in SMS.

Initially the Blast Furnace was operated till May'2004 with 100% lump ore and there after sinter has been used in the Blast furnace burden with commissioning of 180 m² sintering unit.

The capital repair of the furnace was done in year 2017-18 and furnace was restarted in May'2018. As per ABS FY 2019, highest Hot Metal production was achieved of 767010t since inception. Previous best yearly production was 7,18,680 t in 2009-10. The technical parameters of BF Complex are placed in the following table:

Table: Technical parameters

Sl. No.	Parameters	Unit	Design Parameter	Operating parameter (after Capital repair)*
	Commissioning	Year	2002	

Sl. No.	Parameters	Unit	Design Parameter	Operating parameter (after Capital repair)*
1	Annual BF Hot Metal production	Mt/y	1.09	0.77 (FY 2018-19- highest since inception)
2	Useful volume of BF	m ³	1915	
3	Working Volume	m ³	1670	
4	Hearth diameter	m ³	9.6	
5	No. of Tuyeres	Nos.	24	
6	Production per day	t/d	3140	2745
7	Productivity,(on useful volume)	t/d/m ³	1.63	1.43
8	Sinter in burden	%	80	80-81
9	Sized ore in burden	%	20	18-20
10	Coke Rate	kg/thm	520	469
11	Nut Coke	kg/thm	55	41
12	Blast characteristics			
	Volume (dry basis)	Nm ³ /thm	1121	1263
	Temperature	Deg. C	1050°C (design) 1000°C (Operating)	955°C
	Humidity	g/N m ³	52	0
	Oxygen enrichment	%	1.5	0
13	BF top gas characteristics (Net & dry)			
	Pressure (Max. operating)	ata (g)	1.0	0.44
	Volume	Nm ³ /thm		1466
14	Hot metal characteristics			
	C	%		4.296
	Si	%	0.8	0.89
	S	%		0.034
	Desired hot metal temperature	Deg. C		1450
15	Slag characteristics			
	CaO	%		35.31
	SiO ₂	%		34.27
	Al ₂ O ₃	%		18.02
	MgO	%		8.95
	Basicity			1.03
	Slag rate	kg/thm	292	296
	Slag temperature	Deg. C		1550

*As on Dec 2018

Requirement of raw materials per ton of hot metal

The requirement of raw materials (net & dry) as provided by M/s NINL is shown below in the table.

Sl. No	Raw Material	Requirement (kg/thm)
1	Lump ore (19%)	303
2	Sinter (81%)	1313
3	Coke	469
4	Nut Coke	41
5	Quartzite	12

All fines generated such as Iron ore, sinter and coke fines are being reused in sinter making, therefore, material consumption has been considered on net & dry basis.

3.2.3 Coke Oven Battery**3.2.3.1 General**

The battery is top charged, twin flue, under-jet, regenerative type along with provision of recirculation of a part of waste gas. The battery is consisting of 67 ovens with oven width of 410 mm. The battery has been installed in phase-I, with annual production of gross coke of about 0.88 MT/yr. The Design volume of production & consumption of various materials for the coke oven plant on annual basis has been indicated in the table below:

Table: Design Volume of Production & Consumption of Raw Materials

Sl. No.	Item	Unit	Quantity
1	Production		
i)	Gross Coke (dry)	t/yr	882,000
ii)	BF Coke (+25-80 mm)	t/yr	~793,800
iii)	Raw Coke Oven gas	N m ³ /yr	~371*10 ⁶
2.	Consumption		
i)	Blend Coal Dry (As charged to ovens)	t/yr	11,60,000
ii)	Coke oven gas for heating CV = 4000 kcal/ N m ³	N m ³ /yr	175*10 ⁶

Description of Coke Oven Battery

Coke oven battery is by-products recovery type, top charged, twin flue, under-jet, regenerative design along with provision of partial recirculation of waste gas. The battery has fireclay and silica construction.

Oven Machines**(a) General****Table: List of Coke Oven Machines**

Machines	Unit	Quantity
Coke pusher car	No.	2
Coal charging car	No	2
Door Extractor car	No	2

All machines have centralized lubrication system and air conditioned operator cabins. The machines are designed with a cycle time of 10 min. or less i.e. corresponding to about 40 pushing on an average time of 6 hours of actual operation in a shift of 8 hours.

3.2.3.2 Coke Dry cooling Plant

One Coke Dry Cooling Plant (CDCP), consisting of three cooling chambers, each of 50-52 t/h of coke cooling capacity has been installed to cool coke produced in the battery.

3.2.3.2.1 Features of Coke Dry Cooling Plant (CDCP)

The technological parameters/ features of Coke Dry Cooling Plant are as indicated in table below:

Description	Unit	Value
Temperature of coke charged in the chamber	°C	1050
Temperature of coke after cooling	°C	<200
Temperature of circulating gas before entering cooling chamber	°C	170 - 180
Temperature of circulating gas before waste heat Boiler	°C	750 – 800
Thermal efficiency	%	80 – 85
Pressure of steam generated	ata	66
Temperature of steam generated	°C	500
Generation of steam/boiler	t/h	25
Capacity of one cooling chamber	t/h	50 – 52
Time of coke cooling in chamber	H	2 – 2.5
Working shifts per day	Nos.	3

3.2.3.2.2 Process Description

Hot coke pushed from ovens receives in a special type of coke car which has a detachable bucket with mechanism for bottom discharge. The coke car with hot coke brings to coke dry cooling installation. The coke bucket is lifted to the top of cooling chamber with the help of coke bucket lifter. Each chamber is provided with an independent coke bucket lifter. The bucket during lifting

is covered with a special type of screen. This helps in retaining the heat as well as protects the working area from emission of heat. Hot coke charges into the chamber through coke charging device. As the coke travels down the chamber, it gets cooled by the counter current stream of inert gases, which is re-circulated by a mill fan provided for each chamber. Cooled coke discharges on the conveyor running below the chamber through the coke discharging device. The entire operation from lifting of the hot coke to the discharging of cooled coke is carried out in automatic mode.

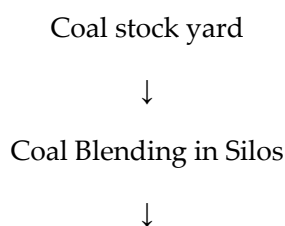
The inert circulating gas get heated during its contact with hot coke and enter waste heat boiler through a dust catching bunker, where coarse dust has been separated from the gas. The hot gas sent to the waste heat boiler, where high-pressure steam is generated utilizing the sensible heat of hot gases. The cooled gas is re-circulated to the cooling chamber after removing fine dust in cyclones.

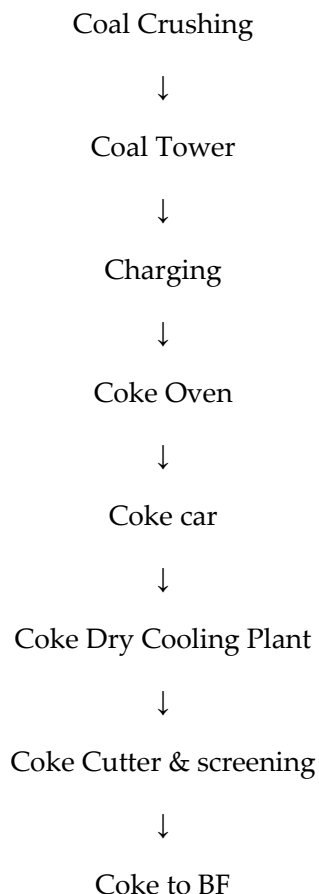
Major plant facilities envisaged for CDCP are given below:

Description	Units	Nos.
Cooling chamber	Nos.	3
Waste heat boiler	Set	3
Coke bucket lifter	Set	3
Mill fan & auxiliary fan	Nos.	3 each
Hoisting and handling equipment	Set	1
Dust cyclones	Nos.	6
Boiler circulating pumps	Nos.	6
Pneumatic transport system for coke dust	Set	1
Ventilation equipment	Set	1
Coke Charging Device	Set	3
Coke Discharging Device	Set	3
Coke car	Nos.	2
Coke Bucket	Nos.	3

SCENARIO OF PRODUCTION PARAMETERS:

The operation in the coke oven battery at M/s NINL is indicated below in the flow chart.





The following data pertains to the production at Coke Oven & CDCP facilities since the commissioning of the coke oven battery since June 2004. However, since March 2020 the same has been shutdown.

3.2.4 By Product Plant

The coke oven battery complex of NINL consists of by-products recovery type ovens with matching coal and coke handling facilities, coke dry cooling plant and By-Product Plant with recovery facilities for crude tar and ammonium sulphate. The By Product Plant was commissioned in 2004. The purpose of the By-Product Plant is to clean the Coke Oven Gas generated (42374 Nm³/hr) from Coke Oven Battery No. 1 to remove impurities so that the Coke Oven Gas can be properly used as a fuel for battery itself, reheating furnaces and Gas-Turbo Generator for generating power. Existing By-product consists of three units namely.

- (i) Gas Condensation Plant (GCP)
- (ii) Ammonium Sulphate Plant (ASP)
- (iii) Final Gas Cooling and Tar storage area

Plant Production & Specific Consumption of Raw Materials:

The commissioning of Coke Oven battery and By product Plant was done in 2004. The annual rated coke production at M/s NINL is higher than the requirement of coke. Hence the battery was operating under capacity to meet the coke requirement till March 2020. Plant production figure and consumption of raw material for by product plant for last fourteen years has been indicated in Table below.

Description	Unit	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
CO gas generation from Coke Oven battery	Nm ³ /yr	177941	299223	307891	314600	251978	229699	255368	302628
PRODUCTS									
Coal Tar	t	17014	29627	29704	28879	21960	22116	24551	30186
Ammonium Sulphate	t	4984	9913	10458	10830	9655	9099	8864	11401
CONSUMPTION									
Solar Oil	t	332	342	254	309	282	275	841	528
Sulphuric Acid	t	4181	8275	8735	8795	7532	7158	7774	8965
Caustic Soda (approx.) for Ammonia Column (48%)	t	2000	2409	2372	2372	1971	1825	1971	2409

Description	Unit	FY13	FY14	FY15	FY16	FY17	FY18	FY19 (up to Nov18)
CO gas generation from Coke Oven battery	Nm ³ /yr	275039	226704	206321	193467	190470	155367	124291
PRODUCTS								
Coal Tar	t	25959	21555	18486	18643	18113	15791	11896
Ammonium Sulphate	t	9529	7799	6921	5531	5249	5232	4682
CONSUMPTION								
Solar Oil	t	193	218	81	120	89	5	75
Sulphuric Acid	t	7876	7138	6122	5897	5980	4935	4129
Caustic Soda (approx.) for Ammonia Column (48%)	t	2190	1861	1930	-	-	-	-

3.2.5 Power Plant

This Captive Power Plant is a Gas based power plant. The gas fired boilers have been designed for firing Blast Furnace Gas, Coke Oven Gas, Converter Gas, and LDO as a startup fuel and for flame stabilization. It is a Combined Cycle Cogeneration Power Plant. The steam generated from the gas fired boilers are supplied in two numbers steam turbine generators, one number steam turbine driven blower and process steam to the Blast Furnace Complex and Coke Oven Complex. This Power Plant, supplied by BHEL, was commissioned in 2001. Coke Oven Gas based Gas Turbine Generator (GTG) was commissioned in 2006. Gas Turbine has a matching HRSG (Heat Recovery Steam Generators) of steam generation capacity 45 t/h.

A study report has been furnished below based on the plant visit by MECON in February, 2019:

- i. Installed Capacity of Power Plant : 62 MW
- ii. Main Units of Power Plant
 - 3x65 t/h Gas Fired Boilers
 - 2x19.25 MW Steam Turbine Generators (STG-I & STG-II)
 - 1x23.59 MW Gas Turbine Generator (GTG)
 - 1x45 t/h Heat Recovery Steam Generator (HRSG)
- iii. Quantity of Fuel Gases for Power Plant at MCR condition
 - BF Gas : 117000 Nm³/h
 - Coke Oven Gas : 17300 Nm³/h
 - Converter Gas : 4800 Nm³/h
 - LDO : 375 kg/h/boiler
- iv. Availability of Fuel Gases
 - BF Gas : 90000 – 95000 Nm³/h
 - Coke Oven Gas : 10000 – 11000 Nm³/h
 - Converter Gas : Nil
- v. Steam Generation from Boilers
 - Gas Fired Boiler – 1 : 45 - 50 t/h
 - Gas fired Boiler – 2 : 45 - 50 t/h
 - Gas Fired Boiler – 3 : 35 - 40 t/h
- vi. Power generation
 - STG-I : 16 MW (To cater emergency power requirement)
 - STG-II : 14 MW

- GTG-III : Not Running (Non-availability of Coke Oven Gas for GTG due to less gas generation from Coke Oven Battery. Main fuel is Coke Oven Gas for GTG).

3.2.6 Steel Melt Shop

NINL is an integrated steel plant at Duburi, Orissa, India for production of about 0.92 million ton per year of liquid steel through BOF-ARS-LHF-CCP route. The proposed Continuous Casting Plant (CCP) in the downstream will produce conditioned billets of about 0.89 million ton per year.

The plant and equipment pertaining to BOF, CCP and Gas cleaning plant (GCP) supplied under separate packages by both indigenous and FOB sources.

3.2.6.1 BOF Shop

3.2.6.1.1 Shop Layout

The layout of BOF shop is equipped with a 110 t capacity converter with future space provision of another 110 t capacity converter in the layout. A 1300 t capacity hot metal mixer is located in the mixer bay (CD bay).

The plant consists of mainly following bays

- Mixer bay (CD bay)
- Scrap charging bay (CD bay)
- Charging bay (DE bay)
- Converter bay (EF bay)
- Ladle reparation bay (FG bay)
- Slag bay (AB bay)

3.2.6.2 Waste gas cooling / Cleaning / Recovery and Secondary ventilation system

Each converter is provided with individual gas collection, cooling and cleaning system based on suppressed combustion technology. The cooling system of the cooling hood designed as a totally enclosed pressurized hot water system. DEMAG-BAUMCO wet type gas leaning system using variable throat venture scrubber and recycled water system is foreseen. The collected gas can either be exhausted to the atmosphere by burning at the top of flare stack or diverted to gas recovery system. The recovered gas is stored in a gas holder common for both the converters. The gas is further cleaned and sent to pipeline gas network through booster fans.

3.2.6.3 Converter Relining

At the end of the campaign, each converter shall be shut down for the relining. Facility is provided for the wrecking of the worn out lining. The de-bricking machine shall be used to take out the

whole working lining. The debris dumped into the container and carried on the slag pot transfer car to the yard for disposal.

The major equipment / system / facilities of BOF shop are as follows.

- Converter proper
- Furnace tilting drive
- Slag retaining device
- Inert gas stirring system in Basic Oxygen Furnace
- Converter relining equipment
- Cooling device for furnace lining
- Gunning machine for BOF lining repair
- Lining breaking machine for BOF
- Heat protection shields
- Lance system and accessories
- N2 buffer vessel
- Lance closed cooling system (primary)
- Water cooling valve station
- Oxygen valve station
- Lance cleaning facilities
- Lance repair and testing facilities
- Hot metal handling
- Scrap handling facilities
- Ladle repair and preparation facilities
- Slag handling facilities
- Bulk Material and Ferro alloys Charging System
- Gas cleaning Plant
- Gas Storage, Final Cleaning and Export
- Drain seal sump and discharge
- Centralized hydraulic & greasing system

3.2.6.4 Continuous Casting Plant

3.2.6.4.1 Shop Layout

The continuous casting shop consists of 1 x 6 strand high speed billet caster (with the provision of 2nd future caster), 110 t argon rinsing station, and 110 t ladle heating furnace (with provision of 2nd future LHF) .

The continuous casting plant consists of four parallel bays namely ladle handling bay, casting bay and billet storage bay I & II.

Sl. No.	Name of Bay	Bay Width (m)	Bay Length (m)
1	Corridor	12	194
2	Ladle handling bay	21	144
3	Casting bay	33	144
4	Billet storage bay -I	33	230
5	Billet storage bay -II	36	230

3.2.6.5 Ladle Heating Furnace

3.2.6.5.1 General

The LHF unit along with their auxiliary facilities located in between column no. 16 to 20 in JK and JG bay. All the facilities related to fume extraction system are located outside the shop as per the layout provided.

Sl. No.	Name of bay	Bay Width (m)	Bay Length (m)
1	Ladle handling bay	21	144
2	Corridor	12	144

3.2.7 Raw Material Handling System:

The Raw Material Handling System comprises of:

- i. Receipt & unloading of materials from wagons / trucks
- ii. Storing of items in raw materials storage yard
- iii. Reclamation & distribution of raw materials as per the need of Blast furnace, SMS & Sinter plant.
- iv. Receipt, storage & conveying of coke & coke breeze from coke oven.

3.2.8 Lime and Dolomite Plant (Not Commissioned)

3.2.8.1 General

1 no. of lime kiln of capacity 300 tpd and 1 no. of dolomite kiln of capacity 100 tpd is required to meet the requirement of basic materials of SMS. The plant is under construction and not operational currently

3.2.8.2 Production Capacity

The lime and dolomite complex have the following production capacity as given below:

Sl. No.	Item	Quantity (T/year) (value as per TEFR)
1	Lime for SMS (sized)	66,900
2	Calcined Dolomite for SMS (sized)	22,330
3	Lime fines	11,925
4	Calcined Dolomite fines	3,982

3.2.9 Oxygen Plant

Initially it was envisaged that the Oxygen Plant would be installed on BOO basis. However, it was decided later to install captive Oxygen Plant. Accordingly order has been placed on BOC India/Linde for 1x418tpd oxygen plant, which has been commissioned in the year 2013.

3.2.10 Services Facilities

The plant is equipped with required services. Power distribution, shop electrics, illumination, water supply facilities, industrial gas& pipeline, fire fighting system, laboratory, workshop railway siding etc. exist to meet the need of the plant. Facilities like gas mixing station are under execution.

3.3 Mine Details

Considering the capacity of the plant (1.1Mt), NINL was granted Mining Lease(ML) over an area of 1798.338 ha in Koira block of Sundergarh and Keonjhar districts of Orissa for Iron ore for its captive use. Mining lease area over 1798.338 Ha was granted in favour of Neelachal Ispat Nigam Limited vide the State Govt. Letter No. 4386, dtd. 05.06.1999, letter no. 4858 dtd.19.06.1999 and letter no. 4553, dtd.27.08.2002.

The mining plan over the area was approved by IBM vide letter no. 314(3)/2003- MCCM(C)/MP-13 dated 02.08.2004 as per the provision under Rule 22 of MCR- 1960, Amendment 1987. Subsequently 924.048 Ha area was surrendered to State Govt. after detailed exploration carried out by MECL. Thus, the mining lease area admeasures about 874.290 ha, of which about 871.427 ha falls in Sundargarh district and the remaining 2.863 ha falls in Keonjhar district. Total ML area is covered under nine villages out of which Mithirda, Kriyakudar, Basada, Dalita, Rusibenua, Mandajoda and Kalia villages are coming under Koira Tehsil of Sundargarh district and Pirhapokhari & Handibhanga villages coming under Barbil Tehsil of Keonjhar districts.

- Mining Plan for 2.5 Mt capacity Iron Ore Production has been approved by IBM over the revised lease area vide letter no. 314(3)/2008-MCCM(C)/MP- 53/1086 dated 16.06.2009

- Stage-I Forestry clearance over 806.153 Ha of forest land including 16.601 Ha of safety zone has been granted for the lease by Ministry of Environment, Forests & Climate Change (MoEF& CC) vide letter no. F. No. 8-68/2013-FC dated 08.01.2018.
- Stage-II/ Final approval of the Central Government was granted under Section 2 of the Forest (Conservation) Act, 1980 for diversion of 806.153 hectares of forest land including 16.601 ha for safety zone over the total Mining Lease area of 874.290 ha for iron ore mining in Sundergarh and Keonjhar districts of Odisha vide letter no. F. No. 8-68/2013-FC dated 22.07.2019.
- Mining operation has commenced on 9th August 2019. However, the mining operation is yet to reach optimum capacity and stabilisation. A shipment of around 45 ton of raw materials has been received at the plant site. Though mining operation has started, the mine is yet to generate sufficient iron ore to feed the plant fully. Since mine operation has just started, MDO and mode of transport of iron ore to the plant site are expected to take some more time to stabilise. As informed by Company, it would take a period of 45-60 days to start mechanised mining.
- NINL had requested Ministry of Mines to consider its request to sell the minerals from its mines as a special case till completion of the disinvestment process. NINL has sought permission to sell upto 5 lakh tonnes (25% of 2 MTPA) of iron ore production envisaged in the MDPA. Central Government, vide order dated 5th Jan 2021, in exercise of its powers u/s 20A of the MMDR Act, 1957 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.

3.3.1 Location & Accessibility

Koira Iron ore mines is located in village Mithirda, Kriyakudar, Basada, Dalita, Sanarusibenua and Kadalia in Sundergarh district and Piripokhari and Handibhanga in Keonjhar district, Orissa.

Lease area is bounded by the latitudes 21o50'37" to 21o54'16"N and longitudes 85o19'34" to 85o22'09" E and covered in the Survey of India Topo sheet No. 73 G/5.

The mines are approachable from Barbil covering a distance of 44 Km by metalled road up to Gouua and then 3.5 Km to Dalita by fair weather road. Area is also approachable from Joda by jeep and connects Mithirda and Basada deposit via Gouua over a distance of 30 Km. The nearest Rail head is located at Nayagarh on Banspani-Jhakhpura track at a distance of 22 km from the mines.

3.3.2 Climate & Rainfall

The climate of the area is sub-tropical with abundant rainfall during monsoon. July is the rainiest month of the year. More than 70% of the annual rainfall is received during June to September. Average rainfall of the area is 1231mm. Temperature of the area varies from 7°C to 47°C. Relative humidity varies between 20% to 89%. Pre-dominant wind direction is due south-east.

3.3.3 Topography

The elevation in the area under consideration for M.L, varies from 619.5m to 941.5m with a general relief of 222m. It is predominantly hilly with steep slopes in many places and a gently rolling topography on plateau in the eastern block (Kriyakudar). The plateau is fringed by steep escarpments in Kriyakudar and Mithirda blocks. Basada displays a highly rugged undulating topography.

Figure 3-1: General Location Map

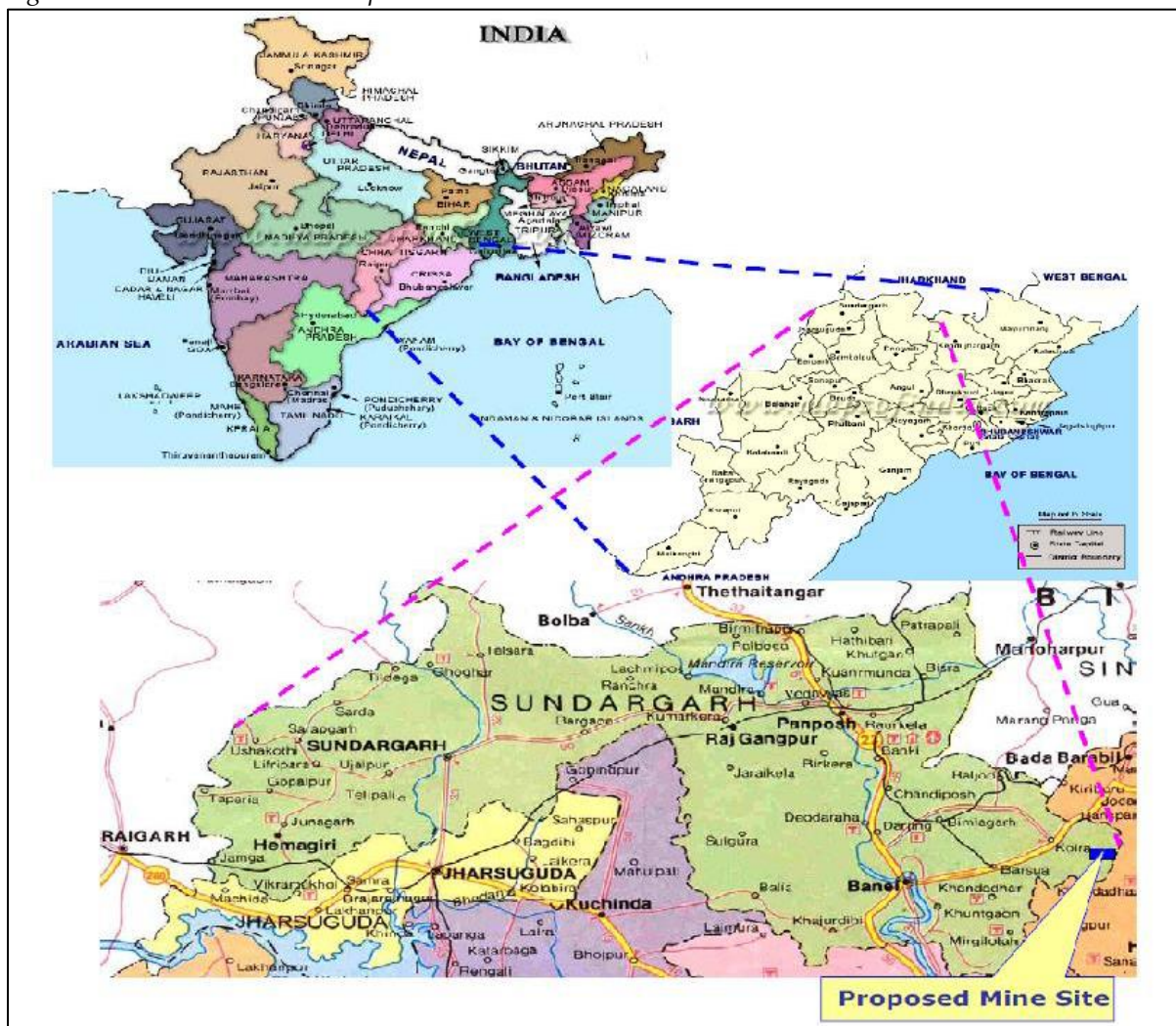
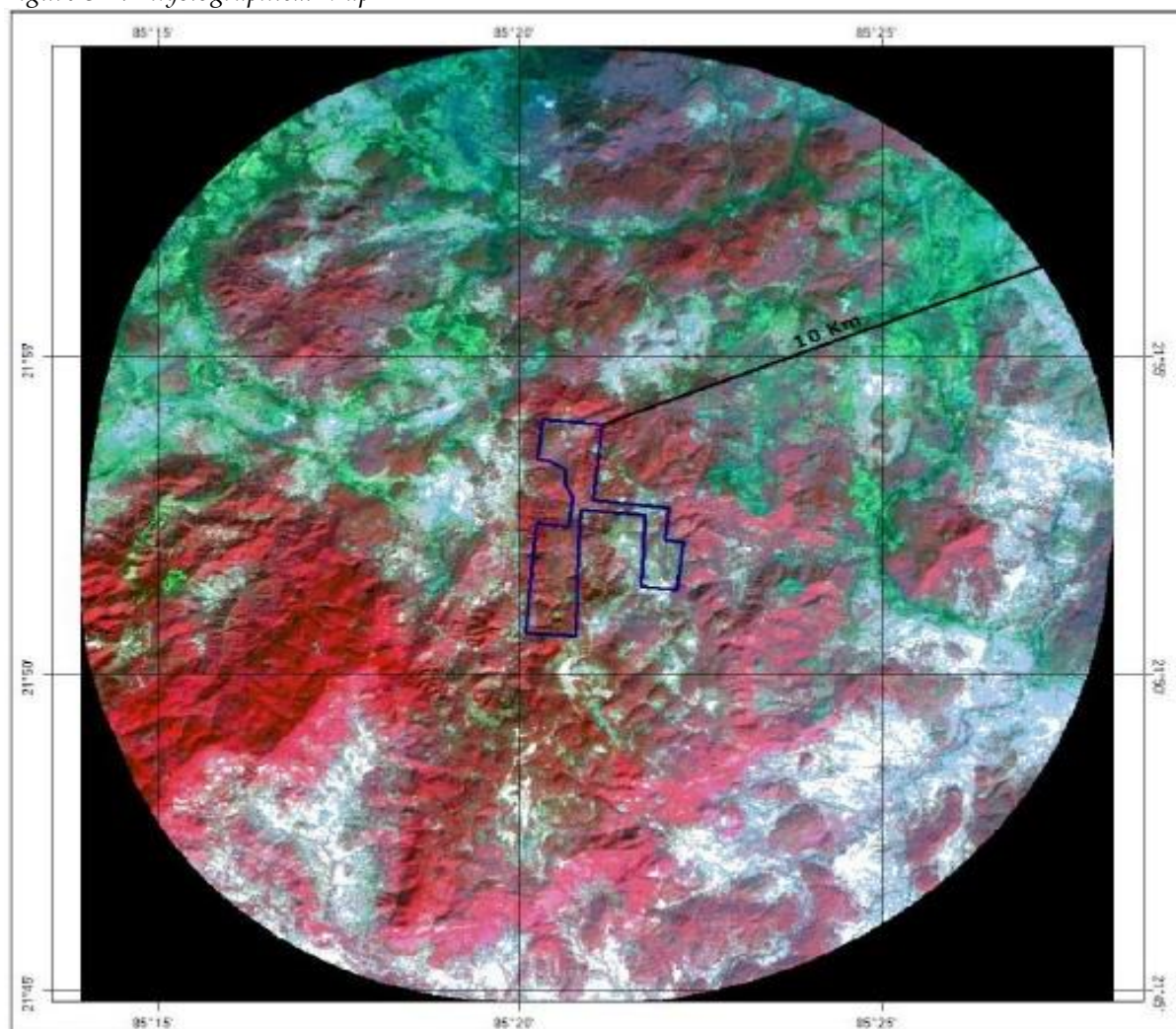


Figure 3-2: Physiographical Map



3.3.4 Reserve

3.3.4.1 Geological Reserve

The details of geological reserve, resource at different cut-off grade have been given below:

Table 3-1: Geological Reserve of NINL Mine

Category	Block	Geological Reserve (Mt)	Fe%
A. Reserve at 55% Fe Cut-off			
Proved	Mithirda	46.50	59.96
	Basada	34.07	60.38

Category	Block	Geological Reserve (Mt)	Fe%
	Kriyakudar	9.73	58.00
	Sub-total :	90.30	59.61
Probable	Mithirda	4.02	61.08
	Basada	4.18	60.79
	Kriyakudar	4.00	63.34
	Sub-total :	12.20	61.72
Grand Total		102.50	59.86
B. Resource at 45% Fe Cut off			
	Mithirda	8.33	+45%
	Basada	4.39	
	Kriyakudar	1.69	
	Sub-total :	14.41	
Grand Total		116.91	

Source: Approved Mining Plan

Besides, 6.88 Mt of Float ore resource has also been reported in the approved mining plan.

3.3.4.2 Mineable Reserves

Block-wise mineable reserve of Koira Iron Ore Mines is given below:

Table 3-2: Mineable Reserves of NINL Mine

Block	Mineable Reserve (Mt)	Fe%
Mithirda	44.73	60.05
Basada	34.47	60.42
Kriyakudar	11.71	59.58
Total	90.91	59.86

3.3.5 Mine Capacity & Mine Life

Proposed annual rated production capacity of mine as per approved mine plan is 2.5 Mt. Considering the mine capacity of 2.5 Mt/yr from 6th year onwards, life of the mine is 38 Years (Excluding one year of construction period).

3.4 Land

The management of the Company has represented that total area amounts to ~2500 acres. The land is on lease from IDCO to NINL on a 90-year lease from FY1997. The land use allocated to various facilities is as below:

S. No.	Land use allocated	Area (in acres)	Leasehold/ Freehold
1	Plant area	2200.00	Leasehold
2	Township	14.70	Leasehold

S. No.	Land use allocated	Area (in acres)	Leasehold/ Freehold
3	Railway siding	13.00	Leasehold
4	Labour colony	12.00	Leasehold
5	Water supply	52.00	Leasehold
6	Vacant Land	219.00	Leasehold
7	Truck Parking	4.00	Leasehold
	Total	2514.70	

Source: NINL Management

Note: 170.14 Acres including 14.7 acres of township area is outside boundary wall.

Note: It is clarified that the land area stated in this PIM/EOI Request is subject to actual measurement.

3.5 Plant infrastructure

3.5.1 Water

Water is received from river Kharsuan at village Marthapur which is approx. 15km away from the plant.

3.5.2 Power Supply

Power is procured from NESCO with balance met from captive power plant of 62.5 MW.

3.6 Raw Material Sourcing

The quantities of raw material consumed during FY 2015- FY 2019, are provided under the following table.

Table 3-3: Raw Material Consumption

Item	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
	Qty. (t)	Qty. (t)	Qty. (t)	Qty. (t)	Qty. (t)
(A) Phase - I					
Imported Coal	648,030	660,664	663,644	396,037	715,234
Iron Ore Lumps	94,080	58,149	90,657	72,920	215,385
Iron Ore Fines	797,809	906,953	869,383	550,160	1,089,628
Pyroxenate	-	-	-	-	240
Pellet	-	-	-	-	28,392
Titanium Ferrous Iron Ore Lumps	-	335	-	8	-
Pet Coke	-	-	926	1,647	474
Lime Stone	57,135	48,590	47,328	42,715	100,879
Dolomite	84,541	87,236	85,834	62,229	134,543
Quartzite	5,141	7,556	8,505	8,924	13,080

Item	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
	Qty. (t)	Qty. (t)	Qty. (t)	Qty. (t)	Qty. (t)
Sand	11,110	13,453	12,993	7,323	11,349
Manganese Ore	-	9	-	121	20
Sulphuric Acid	5,738	5,701	6,416	5,238	6,419
(B) Phase - II					
Silico Manganese	-	294	583	-	1,272
High Carbon Ferro Manganese	-	35	24	-	95
Ferro Silico	-	75	147	-	245
Aluminium Cube / Ingot	-	9	15	-	38
Calcined Petroleum Coke	-	36	70	-	132
Lime (SMS)	-	2,145	5,836	-	11,894
SMS Dolomite	-	19	-	-	65
Calcined Dolomite	-	270	722	-	2,120

Source: NINL Management

The sources of procurement for major raw materials are listed below.

Table 3-4: Raw Material Sourcing

S. No.	Raw Material	Sourced from	Transportation
1.	Coking Coal	MMTC – Australia imports	Upto Paradeep port by vessel and from Paradeep Port to Plant by Rake
2.	Iron Ore	OMC Daitari Mines 1. Iron Ore Fines 2. Iron Ore Lumps	IO Fines – Rake IO Lumps – Truck
3.	Limestone	MMTC- UAE	Upto Paradeep port by vessel and from Paradeep Port to Plant by Rake
4.	Dolomite	MMTC – BSLC & Baradwara, Odisha	By Rake
5.	Quartzite	MMTC- Baripoda, Odisha	By Truck
6.	Fe- Mn	MMTC – Kolkata Traders	By Truck
7.	Fe – Si	MMTC – Kolkata Traders	By Truck
8.	Sand	River Brahmani, Odisha	By Truck
9.	Sulphuric Acid	SaiSulphonet – KGP Paradeep Phosphates Limited - Paradeep	By Tankers

Source: NINL Management

3.7 Plant Performance

3.7.1 Production & Sales Volumes

The past capacity utilization at the plant are listed under the following table. It may be noted that all facilities are completely shut down since March 2020.

Table 3-5: Production & Sales details

Operational Details		FY 13	FY 14	FY 15	FY16	FY 17	FY 18	FY 19	H1FY 20
Blast Furnace Capacity utilization	% terms	48%	59%	55%	56%	55%	33%	76%^	37%#
Hot Metal production	In MT	529,359	645,050	602,680	616,570	605,310	362,726	767,009	202,440
Pig Iron Production	in MT	483,118	556,393	498,122	535,573	517,795	339,293	622,016	173,936
Pig Iron Sales Volume	in MT	463,186	571,611	477,899	572,488	504,233	355,866	605,586	184,138
Coke Production	in MT	558,974	452,737	423,548	397,740	379,634	318,764	407,388	176,804
Coke Sales Volume	in MT	229,815	122,832	95,219	63,552	32,196	51,320	70,798	16,080
Billet Production	in MT	-	20,158	44,258	21,457	-	-	65,768	4,288
Billet Sales Volume	in MT	-	19,652	30,998	21,769	-	-	36,042	29,250

Source: NINL Management

^considering operation start from 01.05.2018

considering shutdown from end July 2019

The Company has shut down SMS plant since June 2019 and Blast Furnace since last week of July 2019. The coke plant was operating at approx. 40% capacity utilization and CPP was running on coke gas. However, the coke plant and the captive power plant were shutdown in March 2020.

3.8 Senior Management Personnel

NINL has a team of qualified and experienced professionals for managing its operations. Brief details of the senior management personnel at NINL are given below.

Table 3-6: Senior Management Personnel as on March 2020

S. No.	Name	Designation	Qualification	Years of Experience
1.	RK JHA	ED (WORKS)	BSC_ENGG (MET)	33
2.	VK PARUTHI	GM (IRON)	B.E (MET)	37
3.	GK RATH	DGM (HR/IR)	B.E. (ELECTRONIC)	30
4.	R PANI	DGM (PROJECT)	B.E (MECH)	31
5.	AK PRUSTY	DGM (CEM)	BSC_ENGG (ELECTRONIC)	30
6.	DC SWAIN	DGM (CORP.CO- ORDINATION)	BE (MECH), ME(PROD), MBA (FINANCE)	26
7.	P MUKESH KUMAR	DGM (SMS)	BE (PROD ENG)	29
8.	S PATTANAYAK	DGM (SINTER PLANT)	B.E. (ELECTRONIC)	29
9.	PC HOTA	DGM I/C (Blast Furnace)	BSC_ENGG (ELECT) MSC_ENGG (POWER_ELECT)	31
10.	SH PALIWAL	DGM (RM,TRAFFIC,PPC,SHIPPING)	B.E (MECH)	30
11.	VM SINGH	DGM (ENVN & ENERGY)	B_TECH (MECH)	33
12.	SS SAHU	DGM (COMML)	BE (MECH) MBA (MAT_MGT) DIP (INTL TRADE)	25
13.	GN SAHOO	DGM I/C (CO & BPP)	BE (CHM) PGD (ECO &ENV)	35
14.	J NANDA	DGM I/C (F&A)	ICWA	31
15.	AK PANDA	DGM (POWER PLANT)	BSC_ENGG (ELECT) MBA (MKT)	19
16.	S DHOLE	DGM I/C (COMMERCIAL)	BE (CIVIL)	37

Source: NINL Management

3.9 Human Resource Strength

The total manpower employed at NINL as on March 2020, was 1478 permanent employees and approx. 1000 contractual staff. The permanent staff comprises executives and non-executive employees as detailed below:

Table 3-7: Total Manpower as on March 2020

Particulars	No. of Employees
Executive	360

Particulars	No. of Employees
Non-Executive	1118
Total	1478

Source: NINL Management

3.10 Statutory Permits and Licenses

The key statutory approvals and clearances required for the operation of NINL and their status are summarized below:

Table 3-8: Clearances and approvals

S. No.	Act/ Rule and action point	Authority	Compliance status	Renewal period
1.	Consent to Operate* (BF Coke – 8.6 LTPA Electric Power (Gas Based) – 65 MW)	State Pollution Control Board, Odisha	Partially Complied	1.04.2020 – 31.03.2021
2.	Consent for discharge of sewage and trade effluent u/s 25/26 of Water (PCP) Act 1974 and for existing/ new operations of the plant u/s 21 of Air (PCP) Act 1981 MITHIRDA IRON ORE – Iron Ore – 2 MTPA	State Pollution Control Board, Odisha	Complied	Upto 31.3.2021

Source: NINL Management

* **Consent to Operate** is for BF Coke – 8.6 lakh TPA; Electric Power (Gas Based) – 65 MW. Consent to operate for Blast Furnace, Sinter Plant and SMS Plant will be considered after compliance of additional conditions stipulated earlier such as

- i. STP for colony
- ii. HDPE lining of solar evaporation pond No 3
- iii. secondary emission control of blast furnace
- iv. mechanical wheel washing system at exit gate
- v. surface runoff treatment plant

and submission of definite plan for resumption of operations of these units

3.11 Safety and Fires Services

NINL has a fire and safety department with total manpower of 53 employees (28 contractual). NINL has a total of 3 fire tenders. Around 16 kms of firefighting pipelines are laid. Total 147 hydrant points are located in the plant. There are 8 monitors installed in the plant. There are 128 riser points in different locations.

4. FINANCIAL PERFORMANCE OF NINL

4.1 Profit and Loss Statement

Table 4-1: P&L –NINL

(Rs Crore)

Year Ending March 31,	2015	2016	2017	2018	2019	H1FY 20	9MFY20
Net Sales	1,243.94	1,073.65	1,171.89	904.89	2,005.43	647.91	801.18
Other non-operating Income	3.87	11.88	19.31	25.98	19.89	5.76	6.42
Total Income	1,247.81	1,085.53	1,191.20	930.87	2,025.32	653.67	807.60
Operating EBITDA	36.26	5.65	-17.87	-26.91	-2.84	- 233.14	-360.42
EBITDA (Inc Other Income)	40.13	17.53	1.44	-0.93	17.05	- 227.38	-354.00
Depreciation	100.88	105.08	180.99	173.88	150.53	75.57	112.89
Interest*	172.83	243.28	359.93	388.42	466.26	231.14	359.84
PBT	-233.58	-330.83	-539.48	-563.23	-599.73	-534.1	-826.73
PAT	-232.67	-333.07	-355.77	-377.66	-402.19	-534.1	-826.73
EBITDA margin (%)	3.22%	1.61%	0.12%	N/A	0.84%	N/A	N/A
PAT margin (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest Coverage Ratio	0.23	0.07	0.00	N/A	0.04	N/A	N/A

- In FY2019, NINL achieved the Highest Hot Metal production of 767010 t since inception. Previous best yearly production of hot metal was 718680 t in 2009-10. Also second highest pig iron production was achieved of 622016 t since inception. Highest Liquid Steel production achieved of 78069 t since inception. Previous best yearly was 53159 t in 2014-15. Highest Billet production achieved 69418 t since inception. Previous best yearly was 44258 t in 2014-15. Highest Sinter production achieved of 1185750 t since inception.
- As can be seen from above table, apart from FY2019, operational performance has been declining over the years and Company started incurring losses from FY 2013 onwards. This was mainly on account of the fact that SMS facility which was commissioned in 2013, could not be run at optimal capacity. Moreover, downturn in steel industry adversely impacted profitability.
- Another major reason for low profitability was that the blast furnace was running at capacity utilization of only 50-60% at best. Such sub optimal capacity utilization of blast furnace was due to the fact that capital repairs had not been carried out since start of operations in 2002.
- However, capital repair of the blast furnace was started in November 2017 and completed in April 2018. The Blast Furnace was made operational on 01.05.2018. Capacity Utilization of the Blast Furnace increased from 33% in FY18 to average of 76% in FY19. As informed by Company the maximum capacity utilization of the blast furnace was 93% in December 2018. However

due to non-availability of adequate funds, Blast furnace and SMS division is shut down since June/ July 2019.

- Net Sales have increased by 112.04% from Rs.905 Crore in FY18 to Rs.2,005 Crore in FY19 which is highest since inception of the Company. EBITDA Margin although increased from Negative in FY18 to 0.84% in FY19, EBITDA was still insufficient to cover the high interest cost leading to PAT Loss of Rs. 402.19 Crore
- Interest includes MMTC's interest accrued on Loans/ Advances extended to NINL but remaining unpaid as below:

(Rs Crore)

Year Ending March 31,	2015	2016	2017	2018	2019	H1FY2 0	9MFY2 0	2020
MMTC's Interest accrued on Loans/Advanc es to NINL but not paid by NINL	54.33	76.71	87.48	136.92	208.22	114.93	182.50	252.21

Source: Department of Commerce letter dated 11.09.2020

- The Interest coverage, although increased to 0.04 in FY19 is still significantly low indicating that the EBITDA is insufficient to cover the high interest burden. However, as informed by NINL, it has paid principal dues and interest of Banks/Bond Holders till January 2020 based on loans and advances from promoters and through stretching operational creditor dues.
- MMTC's total Loans/Advances as on 31st March, 2020 is Rs.3221 Crore consisting of working capital of Rs.1425 Crore and Trade Credit Advance of Rs. 1796 Crore as on 31.3.2020. In addition, MMTC's equity is Rs.459.11 Crore as on 31.03.2020 as per details given at Para 2.3 above. (Figures as on FY2020 are yet to be audited by NINL's auditors)
- It can be noted that though the financial performance of the company has remained subdued over the past few years, the company has generated comfortable margins from 2006 to 2010 when the steel market was on a growth trajectory. A brief analysis of its performance since FY 2006 is below:

Table 4-2: Operational performance FY 2006 – FY 2012:

Operational details- Past Years Data		2006	2007	2008	2009	2010	2011	2012
Blast Furnace Capacity utilisation	% terms	62%	62%	49%	48%	65%	58%	52%
Pig Iron Production	in MT	614911	614964	466928	453395	656908	573375	522595
Pig Iron Sales Volume	in MT	610307	612587	463764	374918	720060	523394	576201
Coke Production	in MT	601527	600022	603463	491201	458967	504885	627365
Coke Sales Volume	in MT	247591	213184	302927	124090	78722	156277	354790
EBITDA	% terms	20.23%	21.28%	23.86%	27.29%	17.34%	2.45%	12.81%

Table 4-3: Operational performance FY 2013 – FY 2019:

Operational Details		2013	2014	2015	2016	2017	2018	2019	H1FY20
Blast Furnace Capacity utilization	% terms	48%	59%	55%	56%	55%	33%	76%^	37%#
Pig Iron Production	in MT	483118	556393	498122	535573	517795	339293	622016	173936
Pig Iron Sales Volume	in MT	463186	571611	477899	572488	504233	355866	605586	184138
Coke Production	in MT	558974	452737	423548	397740	379634	318764	407388	176804
Coke Sales Volume	in MT	229815	122832	95219	63552	32196	51320	70798	16080
EBITDA %		6.32%	4.39%	3.22%	1.61%	0.12%	N/A	0.84%	

Source: NINL Management ^considering operation start from 01.05.2018 # considering shutdown from end July 2019

- Mining operation has commenced on 9th August 2019. However, the mining operation is yet to reach optimum capacity and stabilisation. A shipment of around 45 ton of raw materials has been received at the plant site. Though mining operation has started, the mine is yet to generate sufficient iron ore to feed the plant fully. Since mine operation has just started, MDO and mode of transport of iron ore to the plant site are expected to take some more time to stabilise. As informed by Company, it would take a period of 45-60 days to start mechanised mining.

In order to minimise the operational losses, the Company had shut down SMS plant since June 2019 and Blast Furnace since last week of July 2019. The coke plant was operating at approx. 40%

capacity utilization and CPP was running on coke gas. However, the coke plant and the captive power plant were shutdown in March 2020.

4.2 Balance Sheet

Table 4-4: Balance Sheet- NINL

(Rs Crore)

Year Ending March 31,	2015	2016	2017	2018	2019	H1FY20
Equity Capital (Incl. Other Equity)	602.65	602.65	583.55	582.14	581.29	740.71
Reserves & Surplus	-75.12	-399.43	-758.69	-1,134.20	-1,537.78	-2,072.95
Net Worth	527.53	203.22	-175.14	-552.06	-956.49	-1,332.23
Fixed Assets (Incl. CWIP)	3028.29	3065.35	2854.04	2743.98	2,614.41	2,577.60
Intangible Assets under development	-	10.09	119.96	130.91	179.87	189.65
Long Term Loans	1235.39	1758.52	1897.49	1543.88	1,397.82	1,293.85
Current Maturities of Long Term Loans	419.10	154.79	281.43	403.87	325.89	
Short Term Borrowings [^]	160.94	825.04	1044.1	1515.09	1,542.14	1,556.71
Current Assets	388.08	280.47	398.65	403.81	545.99	528.47
Current Liabilities	1,599.58	1,369.54	1,845.94	2,646.22	3,388.32	3,778.83
Net Current Assets	-1211.50	-1,089.07	-1447.29	-2242.41	-2,842.34	-3,250.36
Current Ratio	0.24	0.20	0.22	0.15	0.18	0.14
FACR	1.83	1.57	1.31	1.41	1.52	1.99

[^]Part of Current Liabilities

- Net worth has eroded on account of losses since FY 2013.
- There has been significant depletion of net current assets from FY 2016 to FY 2019. This is mainly on account of increase of "Revenue receipt in advance" from MMTC.

The current liabilities include MMTC's Loans/Advances of Rs.3221 Crore to NINL as on 31.03.2020 consisting of working capital loan of Rs.1425 Crore and Trade Credit Advance of Rs.1796 Crore as on 31.03.2020. Additionally, MMTC has provided Corporate Guarantee of Rs.1471.70 Crore to Banks/Financial Institutions for borrowings of NINL,

NINL's Liabilities towards MMTC:

Table 4-5: NINL's liabilities towards MMTC for Short Term Borrowings & Advances:

(Rs. Crore)

Nature of Support	As on 31.03.2016	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019	As on 30.09.2019	As on 31.03.2020*
Unsecured Loans - Working Capital loan/borrowing from related party	786.64	966.00	1425.00	1425.00	1425.00	1425.00*
Other current liability- Trade Credit Advance (Revenue receipt in advance)	144.00	130.49	353.69	1169.00	1531.00	1796.00*
Total	930.64	1096.49	1778.69	2594.00	2956.00	3221.00*

Source: NINL Management

*Figures as on 31.03.2020 are informed by Dept of Commerce vide letter dated 11.09.2020 and is yet to be audited by NINL auditors; It includes accrued interest of Rs 252.21 Crore from NINL not paid to MMTC; In addition, MMTC's equity is Rs.459.11 Crore. as on 31.03.2020 as per details given at Para 2.3 above.

- MMTC has provided Corporate Guarantee of Rs.1471.70 Crore to Banks/Financial Institutions for borrowings of NINL
- NINL has provided Corporate Guarantee (CG) of Rs. 2800 crores as on 08.08.2019 to MMTC to secure the re-payment of Loans/Advances extended by MMTC to NINL. As informed by Dept of Commerce vide letter dated 11.09.2020, this Corporate Guarantee (CG) is likely to be updated to Rs. 3300 Crore after the Accounts of NINL for FY 2019-20 are finalized.
- Current ratio is below 1 due to higher level of current liabilities as explained above.

- However, NINL has paid principal and interest dues of banks/bond holders till January 2020 (scheduled payment of principal amount is quarterly), based on advances and working capital loans extended by promoters to NINL.
- Intangible assets relate to mines related lease.

4.3 Long Term Facilities of NINL

Total Term Loan Position (including term loan, corporate loan & bonds) and security structure is as shown below:

Table 4-6: Phase I –Project Term Loan Outstanding as on 31.03.2020

Sl. No	Bank	Outstanding as on 31.03.2020 (Rs. Crore)	Current ROI
1	State Bank of India	118.86	9.05% & 12.75% p.a
2	Indian Bank (e-Allahabad bank)	77.37	9.15% p.a
3	Union Bank of India	38.45	9.85% p.a
4	Indian Bank	38.57	12.30% p.a
5	Oriental Bank of Commerce	14.50	10.35% p.a
	Total	287.75	

Source: NINL Management; Final amounts subject to bank reconciliation and would include overdue interest

Table 4-7: Phase II –Project Term Loan Outstanding as on 31.03.2020

Sl No	Bank	Outstanding as on 31.03.2020 (Rs. Crore)	Current ROI
1	State Bank of India	212.30	12.65% & 13.60% p.a
2	Indian Bank (e-Allahabad bank)	47.89	13.40% p.a
3	Union Bank of India	70.13	12.75% p.a
4	Bank of Baroda (Dena Bank)	82.91	13.90% p.a
5	Central Bank of India	60.76	13.20% p.a
	Total	473.99	

Source: NINL Management; Final amounts subject to bank reconciliation and would include overdue interest

Table 4-8: Corporate Loan Outstanding as on 31.03.2020

Sl No	Bank	Outstanding as on 31.03.2020 (Rs. Crore)	Current ROI
1	Indian Bank (e-Allahabad bank)- Capex Purpose	91.16	11.80% p.a
2	State Bank of India (Mines)	94.51	11.55% p.a
3	State Bank of India (Corporate Loan)	6.14	11.55% p.a
4	IndusInd Bank	42.44	11.25% & 11.05% p.a
4	IFCI	52.00	13.55% p.a .
5	Bank of Baroda (Vijaya Bank)	33.00	12.50% p.a
	Total	319.25	

Source: NINL Management ; Final amounts subject to bank reconciliation and would include overdue interest

Table 4-9: Bonds Outstanding as on 31.03.2020

Sl. No	Bank	Outstanding as on 31.03.2020 (Rs. Crore)	Comments
1	11.90% Bond	200.00	The Company raised Rs. 200 Crore as NINL Bonds 2024 on 27.03.2014 carrying a coupon of 11.90% p.a. which are redeemable in 4 equal annual instalments of Rs. 50 Crore each commencing from 27.03.2021 without put and call option.
2	10.45% Bond	50.00*	The Company had raised Rs. 200 Crore* through bonds during 2009 as part of Phase II project funding carrying a coupon of 10.45% p.a. and are redeemable in 4 equal annual instalments of Rs. 50 Crore each starting from 19.02.2018 without put and call option.
	Total	250.00	

Source: NINL Management; Final amounts subject to bank reconciliation and would include overdue interest

*Rs 150 Crore repaid as per schedule; NINL has defaulted in payment of interest for 11.90% Bond due on 27.09.2020 for Rs 12 Crore

Table 4-10: Promoter's Loan outstanding as on 31.03.2020:

Sl No	Bank	Outstanding as on 31.03.2020 (Rs. Crore)	Current ROI
1	MMTC - Unsecured loan – Working Capital Loan/ borrowing from related party [^]	1425.00	10.25% p.a.
2	MMTC - Trade Credit Advances [^]	1796.00	10.25% p.a.
3	OMC* - TL 1	160.00	10.25 % pa
4	OMC* – TL 2	157.27	9.00% p.a.
5	NMDC Ltd	60.00	9.00% p.a.
	Total	3598.27	

Source: NINL Management ; All figures above are in addition to equity infusion by promoters provided in sect 2.3 above

[^]MMTC total loans/advances as on March 2020 is approx. Rs 3221 Crore consisting of working capital loan of Rs 1425 Crore and Trade Credit Advances (advance revenue receipt by NINL) of Rs 1796 Crore as on 31.03.2020. The final numbers are subject to Audit. Additionally, MMTC has provided Corporate Guarantee of Rs.1471.70 Crore to Banks/Financial Institutions for borrowings of NINL. As informed by DOC, MMTC's total loans and advances is Rs 3371.94 Crore (approx.) as on 30th Sept 2020

NINL has provided Corporate Guarantee (CG) of Rs. 2800 crores as on 08.08.2019 to MMTC to secure the re-payment of Loans/Advances extended by MMTC to NINL. This Corporate Guarantee (CG) is likely to be updated to Rs. 3300 crores after the Accounts of NINL of 2019-20 are finalized.

*OMC - Loan from promoter was supposed to be repaid in 36 monthly instalments commencing from 30.09.2016. However, given the financial difficulty, Company has made payments of Rs 10 Crore on the loan. As informed by NINL, the loan carries an interest of 10.25% p.a. w.e.f September 2018. TL 2 from OMC infused in tranches from Jan 2020 onwards.

As informed by OMC, vide letter dated 11.11.2020, loan exposure as on 31.10.2020 is Rs 370.54 Crore (TL 1- Rs 185.18 Crore and TL 2- Rs 185.36 Crore); Additionally, OMC has dues towards Iron Ore Supplies (against BG) including accrued interest of Rs 103 Crore.

NMDC has infused Rs 60 Crore in form of loans in December 2019.

4.4 Working Capital Facilities of NINL from Banks

Table 4-11: Working Capital Position as on 31.03.2020:

(Rs Crore)

Bank	Fund Based		Non-Fund Based	
	Sanctioned (Rs in Crore)	Outstanding	Sanctioned (Rs in Crore)	Outstanding
		(Rs in Crore)		(Rs in Crore)
State Bank of India	89.30	79.51	104.75	102.78
Indian Overseas Bank	3.70	3.29	2.30	2.08
Oriental Bank of Commerce	7.00	6.23	0.00	0.00
Indian Bank (e-Allahabad bank)*	20.00	17.81	5.00	3.56
Bank of Baroda	20.00	17.81	30.00	28.47
Indian Bank	5.00	4.45	5.00	5.00
Union Bank	15.00	13.35	5.00	4.90
Total	160.00	142.45	152.05	146.79

Source: NINL Management; Final amounts subject to bank reconciliation

*The Company has also availed BG of Rs 100 Cr from Indian Bank (e-Allahabad bank) in addition to the above NFB O/s.

4.5 Contingent Liabilities

The Contingent Liabilities as on 31st March 2019 are as below:

- Claims against Company not acknowledged as debts Rs 50,706.57 lakh (Previous year Rs 26,854.19 lakh)
- Estimated commitment amount of contracts remaining to be executed on Capital Account and not provided for (net of advance) Rs 12,167.65 lakh (Previous year Rs 12,392.73 lakh).

As per the Annual Report FY2019, the Disputed Statutory Dues is as below:

Table 4-12: Disputed Statutory Dues as on 31.03.2019:

(Rs in Crore)

Sl.No.	Name of The Statute	Total Contingent Liability (In Lac)	Period To Which It Relates	Name Of The Appellate Authority
1	OST,CST,VAT Act	10.10	CST (2002-03)	Odisha Sales Tax Tribunal
		31.17	CST (2003-04)	
		1.18	VAT (2005-06)	

Sl.No.	Name of The Statute	Total Contingent Liability (In Lac)	Period To Which It Relates	Name Of The Appellate Authority
	Total (A)	42.45		
2	OST,CST,VAT Act	0.35	2004-05	Dy. Commissioner of Commercial tax
	Total (B)	0.35		
3	Entry Tax Act	22.78	2008-09 to 2015-16	Odisha Sales Tax Tribunal
	Total (C)	22.78		
4	Entry Tax Act	8.28	2003-04	Odisha Sales Tax Tribunal
		4.00	2004-05	
		1.24	2005-06	
	Total (D)	13.51		
5	Entry Tax Act	1.39	2013-15	Addl. Commissioner of Commercial Tax
	Total (E)	1.39		
6	Central Excise Duty	117.70	2005-06 to 2007-08	Hon'ble High Court of Odisha
		66.77	2001-02	
	Total (F)	184.47		
7	Central Excise Duty	15.21	2013-14 & 2014-15	CESTAT
		6.65	2015-16	
		0.09	2017-18	
		0.49	2011-12	
	Total (G)	22.45		
8	Central Excise Duty	1.30	2006-07	Commissioner of Central Excise (Appeal)
		2.25	2016-17	
		113.65	2008-09	
	Total (H)	117.19		
9	Central Excise Duty	0.03	2016-17	Asst. Commissioner of Central Excise
	Total (I)	0.03		
10	Income Tax Act (TDS)	0.28	2007-08 to 2017-18	Dy. Commissioner of Income Tax (TDS)
	Total (J)	0.28		
	GRAND TOTAL (A+B+C+D+E+F+G+H+I+J)	404.90		

Source: ABS FY2019

5. VALUE DRIVERS

5.1 Strengths

- **Surplus Land bank** – Total land area leased to NINL at the existing facility is around 2,500 acres having land for future expansion. The land bank may be of interest to new investors since it may provide a ready expansion opportunity.
- **Locational Advantage** – The plant facilities are located at strategic location at Kalinganagar Complex, Odisha with proximity to iron ore and other raw materials. Further, it has good connectivity with road, rail network and proximity to Paradip port for transport of finished products and raw materials movement.
- **Plant & Equipment** - The Company set up a Steel Melting Shop (SMS) with installed capacity of 897000 TPA for producing billets as Phase II capacity expansion plan along with Continuous Casting Shop, Ladle Furnace, Billet Caster and other auxiliary facilities which were commissioned during FY 2014. These plants are relatively new as compared to the Blast Furnace and may act as positive value driver.
- **Availability of Captive Raw Material** –The Company has been allotted iron ore mine in Sundargarh and Keonjhar district of Odisha with an estimated mineable reserve of around 90.91 Million Tonne. The mining lease, granted over an area of 874.290 hect in Sundargarh and Keonjhar district, was executed by District Collectors on 11.01.17 after compliance of all formalities for period of 50 years as per amended provision of MMDR Act 2015. The mine commenced operation on 9th August 2019. A shipment of around 45 ton of raw materials has been received at the plant site. Though mining operation has started, the mine is yet to generate sufficient iron ore to feed the plant fully. Since mine operation has just started, MDO and mode of transport of iron ore to the plant site are expected to take some more time to stabilise. As informed by Company, it would take a period of 45-60 days to start mechanised mining. Odisha government has recently re-auctioned iron ore mines at high premiums of upto 150% which reconfirms the high demand for raw material security through captive iron ore mines. Also, availability of 50 year mining lease valid till 2067 could be one of the value drivers for investment by the potential players. In such situation, NINL may be a favoured investment target due to availability of 50 year mining lease valid till 2067, subject to obtaining necessary transfer approvals as required.
- **Improved Capacity Utilization** – NINL had undertaken capital repair of the Blast Furnace from November 2017 onwards and has restarted the facility on 1st May 2018. As stated in ABS FY19, post repair, NINL has achieved highest ever production of 7,67,010

MT of hot metal since inception. Hence, it maybe inferred that once sufficient raw material is available, the BF may be able to generate high production levels.

- **Forward Integration** – NINL has already commissioned phase II expansion consisting of SMS facility to manufacture billets. However, pending repairs of the blast furnace and improved realizations from Pig Iron, Company has not operated billet units in FY 17 and FY 18. The SMS unit was restarted in December 2018 and has achieved highest ever production of 69,418 MT of billets since inception. NINL also converted approx. 600 MT of billets into TMT bars through conversion agency and sold the same under brand of “NINL SMART TMT BAR”. However, it may please be noted that units are non-operational as of now. The integrated operations may be of interest to any new bidders. A strong new management may undertake TMT bar production by setting up own rolling mill based on land availability.
- NINL has a team of qualified and experienced professional for managing its operations

5.2 Opportunities

- **Growing domestic demand** - Domestic steel demand is expected to grow with increasing infrastructure spending by GoI and announcement of stimulus packages. The government is taking various measures to increase demand through its Make in India campaign, focusing new project primarily in infrastructure sector, hiking the import duty/MIP/safeguard duty etc. Moreover with a renewed focus on development of urban infrastructure in various cities under smart city initiatives, demand for structural steel is expected to increase.

6. APPENDIX

6.1 Appendix I: Audited Financial Statement of NINL for FY 2018-19

The audited financial statement of NINL for FY 2018-19 can be accessed at the link below:

<http://ninl.in/web/Company/Financial-Performance/Annual-Report-Year>

PART B – REQUEST FOR EXPRESSION OF INTEREST

1. DEFINITIONS

Capitalized terms defined herein shall bear the meaning ascribed thereto in this Request for Expression of Interest (EOI Request). Additionally, in this EOI Request, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings:

“Advisors” shall refer to Transaction Advisor, Legal Advisor and Asset Valuer

“Asset Valuer” shall mean Adroit Technical Services Private Limited

“Associate Company” shall have the same meaning as defined under the Companies Act, 2013, as amended.

“Consortium” shall refer to a group of maximum four (Four) Eligible Entities that have collectively submitted an EOI in accordance with the provisions of this EOI Request and pursuant to a consortium agreement entered into amongst them, and includes an Employee Consortium;

“Consortium Member(s)” means an Eligible Entity participating in the Transaction as part of a Consortium.

“Consortium SPV” means the SPV to be formed by Consortium Members in the event it is designated as the Successful Bidder, as more particularly described in Clause 5.1.(3)

“Control” shall have the same meaning as assigned to it in Clause (27) of section 2 of Companies Act, 2013, as amended

“Definitive Agreements” shall mean agreements to be entered into between NINL’s Specified Shareholders and Successful Bidder, , and/or Parent meeting financial criteria on behalf of the Successful Bidder (in case of a Sole Bidder), SPV / Consortium SPV (as applicable) and Consortium Members, as the case may be, to effectuate the sale of NINL.

“Eligible Entity” shall mean the following domestic or international entit(ies), eligible to participate in this bid process and submit an EOI in response to and in accordance with this EOI Request

1. A company incorporated in India under the Indian Companies Act, 1956, or Companies Act, 2013, as the case may be, excluding Government Company/ies as such term is defined under the Companies Act 2013;
2. A company incorporated outside India;
3. A limited liability partnership under the Limited Liability Partnership Act, 2008;

4. A limited liability partnership incorporated outside India;
5. SEBI Registered Alternative Investment Funds (AIF)
6. Funds incorporated outside India, which is eligible to invest in India under the laws of India (subject to such parties obtaining all statutory approvals from GoI/FIFP/RBI etc. by themselves)
7. Employees (as defined hereinafter)

“Employees” shall mean permanent employees of NINL.

“Expression of Interest or EOI” shall mean and include any document submitted by an Interested Bidder, in response to this EOI Request, in accordance with the terms and conditions as set out herein

“Fee” shall mean a non-refundable fee of Rs.5 (Five) Lakhs, to be submitted by the Interested Bidder along with the EOI, in the form and manner prescribed in Clause 4.3

“Governmental Authority” shall mean any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.

“Government or GoI” shall mean Government of India acting through Ministry of Commerce & Industry and Department of Investment & Public Asset Management (DIPAM)

“Group Company(ies)” means a company(ies) which is/are an Affiliate of another company.

“Interested Bidder or IB” shall mean an Eligible Entity, submitting the EOI, either independently or collectively as a Consortium. For avoidance of doubt the term IB will also include collectively all Consortium members and/or any SPV incorporated by the Consortium/IB. Any reference to an Interested Bidder shall include its successors and permitted assigns, as the context may require

“Lead Member” shall mean such Consortium Member holding at least forty percent (40%) equity shareholding on a fully diluted basis (i.e. holding at least 40% of in the equity shareholding on a fully diluted basis of the Consortium SPV) and is designated as Lead Member as per the Consortium Agreement executed among all the Consortium Members.

“Legal Advisor” shall mean L&L Partners (Formerly known as Luthra & Luthra Law Offices).

“NINL” means Neelachal Ispat Nigam Limited, the Company which is proposed to be divested in the current transaction.

“Parent” means the entity into which the accounts of the IB/Consortium Member are consolidated.

“Person” means any individual, company, firm, association, trust, or any other organization or entity (including the Government and any governmental or administrative subdivision).

“Place of Effective Management” shall have the meaning ascribed thereto in the Finance Act, 2015 to be determined in accordance with guidelines issued by Central Board of Direct Taxes vide F. No. 142/11/2015-TPL dated January 24, 2017.

“Promoter” shall have the same meaning as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

“Promoter Group” shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

“Request for Expression of Interest or EOI Request” means this request for expression of interest together with the annexures and documents referred herein, including the Preliminary Information Memorandum and any addenda to this EOI Request.

“Shortlisted Bidders” shall refer to all those IBs who have been shortlisted for participating in the Stage II of the Transaction, as more particularly described in Clause 3.2.A. (iii).

“Subsidiary company or Subsidiary (ies)” shall have the same meaning as assigned to it in Clause (87) of section 2 of Companies Act, 2013 as amended.

“Specified Shareholders of NINL” shall mean MMTC (holding 49.78% equity shares), NMDC (holding 10.10% equity shares), MECON (holding 0.68% equity shares), BHEL (holding 0.68% equity shares), IPICOL (holding 12.00% equity shares) and OMC (holding 20.47% equity shares).

“Successful Bidder” shall mean the Shortlisted Bidder that is finally selected in accordance with Clause 3.2.B to enter into Definitive Agreements.

“Transaction” shall mean strategic disinvestment of 93.71% stake in NINL along with the transfer of management and Control.

“Transaction Advisor” shall mean SBI Capital Markets Ltd.

2. INTRODUCTION

2.1 Transaction Background

Neelachal Ispat Nigam Limited (“NINL” or “the **Company**”), was incorporated in 1982 to set-up an Integrated Steel Plant (ISP) to undertake manufacturing and sale of steel products. NINL’s manufacturing unit is located at Kalinganagar Industrial Complex, Duburi, Odisha. The Company has built its manufacturing facility in two phases (Phase I & Phase II). In Phase I, the Company had set up the blast furnace (1.1 MTPA) to produce pig iron which was commissioned in 2002. Subsequently, other supporting facilities like Sinter plant, Coke oven plant, Power plant were commissioned. The major shareholders of the Company include MMTC, IPICOL, NMDC Ltd & The Orissa Mining Company Ltd (OMC).

The Company thereafter set up a Steel Melting Shop (SMS) with installed capacity of 897000 TPA for producing billets as Phase II capacity expansion plan along with Continuous Casting Shop, Ladle Furnace, Billet Caster and other auxiliary facilities which were commissioned during FY 2014. NINL has also been allotted a captive iron ore mine in Odisha having an estimated mineable reserve of around 90.91 million tonne.

The Cabinet Committee on Economic Affairs on 8th Jan 2020 has given 'in principle' approval for strategic disinvestment of equity shareholding of MMTC (49.78%), NMDC (10.10%), MECON (0.68%), BHEL (0.68%), IPICOL (12.00%) and OMC (20.47%) in Neelachal Ispat Nigam Limited (NINL) to a strategic buyer, identified through a two-stage auction procedure.

2.2 Contact Details

All enquiries related to the Transaction should be addressed to the following representatives of SBICAP at common email id **NINL.Dipam@sbicaps.com**:

Mr. Arun Kumar Jain	Mr. Vivek Khurana
Vice President	Vice President
PA&SF Group, Kolkata	New Delhi Regional Office
SBI Capital Markets Ltd.	SBI Capital Markets Ltd.
Contact : 033 – 2302 3243	Contact : 011 – 2348 5220
Ninl.Dipam@sbicaps.com	Ninl.Dipam@sbicaps.com

All such enquiries should be emailed not later than the date mentioned in Clause 2.3. All communications shall clearly bear the following identification/ title:

"Queries/ Request for Additional Information: PIM for Strategic Disinvestment of Neelachal Ispat Nigam Limited"

Interested Bidders (IBs) should note that all correspondence, enquiries, clarifications in relation to the Transaction should be routed and addressed only to the Transaction Advisor at the above mentioned e-mail address. Neither members of NINL, its Promoters nor DIPAM, Ministry of Commerce & Industry (MOCI), and Government of India shall be responsible in any manner to reply to any communication directly to the IBs or to respond to any communication sent directly to them by the IBs.

All responses to queries will be provided without revealing the source of the query. Further, members of NINL, its Promoters or DIPAM, Ministry of Commerce & Industry (MOCI), and Government of India reserve the right to not respond to queries or clarifications sought and to not provide information in addition to the information provided herein.

2.3 Important Dates

Table 2-1: Important Dates

Event	Date
Publication of Advertisement, Floating of EOI Request and PIM	January 25, 2021
Last Date for invitation of Queries through email/ Physical copy	February 25, 2021
Last date & time for Submission of EoIs (Due Date)	March 29 ,2021
Last date for submission of Physical Copies for IBs submitting electronically	April 5, 2021

Note: Please refer Section 4.3 below for mode of Submission of EoI ; The above dates may change at the discretion of GoI and the detailed dates and schedule for subsequent activities shall be provided in RFP

2.4 Contents of EOI Request

- 1) An advertisement has been issued in the newspapers inviting IBs to submit their EOIs to participate in the Transaction. A copy of the advertisement is enclosed as **Annexure 9**.
- 2) This EOI Request contains the following:
 - a. Brief description of the Transaction
 - b. Instructions to Interested Bidders
 - c. Eligibility criteria
 - d. Conditions/ Circumstances which may lead to Disqualification of IBs
 - e. Format of EOI Letter

- f. Form A (forming an integral part of EOI Letter)
 - g. Format of General Power of Attorney
 - h. Format of Power of Attorney in favour of Lead Member
 - i. Format for Consortium Agreement
 - j. Confidentiality Undertaking
 - k. Format of Affidavit
 - l. Format of declaration with respect to Statement of Legal Proceedings
 - m. Advertisement inviting EOI
 - n. Guidelines for Management-Employee Bids in Strategic Sale & format of Power of Attorney for Employee Participation
 - o. Undertaking by the Parent (in the event Sole IB meets Financial Criteria through Parent)
 - p. Office Memorandum(s) of guidelines issued by DIPAM
- 3) This PIM and EOI Request along with annexures have been uploaded on websites of DIPAM at www.dipam.gov.in, Ministry of Commerce & Industry at <https://commerce.gov.in/>, Company at www.ninl.in and Transaction Advisor at www.sbicaps.com. Following receipt of EOI Request, Interested Bidders are required to respond in the format as detailed in this EOI Request along with a non-refundable Fee as detailed in Clause 4.3.

2.5 Clarification

Any queries or request for clarification/additional information concerning this EOI Request shall be submitted on the letterhead of the IB duly signed by its authorized signatory physically at the below mentioned address or the scanned copy of such a letter shall be mailed at ninl.dipam@sbicaps.com, not later than the date mentioned in Clause 2.3.

Mr. Arun Jain

Vice President, PA&SF Group
SBI Capital Markets Ltd.
9thFloor, Jeevandeep Building
1, Middleton Street
Kolkata – 700071

- 1) The communications shall clearly bear the following identification/ title:
"Queries/ Request for Additional Information: PIM for Strategic Disinvestment of Neelachal Ispat Nigam Limited"
- 2) All queries or request for clarification/additional information should be sent in the following format:



S. No.	Clause No.	Clarification/ Additional Information required	Rationale for clarification or additional information required

3. TRANSACTION

3.1 Salient Features of Transaction

The broad terms of the Transaction are detailed as below:

- 1) Neelachal Ispat Nigam Limited is a 1.1 MTPA Steel manufacturing unit which produces pig iron and billets.
- 2) The Cabinet Committee on Economic Affairs on 8th January 2020 has given 'in principle' approval for strategic disinvestment of equity shareholding of MMTC (49.78%), NMDC (10.10%), MECON (0.68%), BHEL (0.68%), IPICOL (12.00%) and OMC (20.47%) in Neelachal Ispat Nigam Limited (NINL) to a strategic buyer, identified through a two-stage auction procedure.
- 3) As a part of the strategic disinvestment, management and Control of NINL will be transferred to the Successful Bidder through a transaction mechanics that include purchase of shares and infusion of funds (the details of mechanics will be detailed in RFP) into NINL which will be used to re-pay existing debt of NINL at or around the time of closing itself. By way of control of NINL, the control on entire business of NINL (including mining rights and leasehold rights on the land currently with NINL) will also stand transferred.
- 4) The Shortlisted Bidders would be required to quote for NINL on an Enterprise Value basis which would be payable upfront. 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. The Shortlisted Bidders would be notified regarding the detailed waterfall mechanism as well as manner of settlement through the VDR/ e-mail in RFP Stage. Further details/alternate structures regarding the Transaction and waterfall mechanism that may be adopted shall be provided in the RFP.

“Enterprise value” shall mean combined value of Debt and equity of NINL as assessed by IB in its financial bid. Debt for the purposes of this para means all existing long term and short-term borrowings (including in the form of debentures, loans, working capital borrowings, promoter loans and bonds reflected in PART A para 4.3, 4.4 and 4.5 and would include accrued interest thereon).

3.2 Process for the Transaction

The process for the Transaction has been divided into two stages, as detailed below:

A. Stage I:

- i. Through this EOI Request, DIPAM is providing the Interested Bidder with instructions for submitting its Expression of Interest to the Transaction Advisor, which would be used for prequalifying the Interested Bidder in accordance with the criteria specified herein in order to proceed with the Transaction.
- ii. The EOIs will be evaluated based on the Eligibility Criteria and Disqualification conditions detailed in this EOI Request.
- iii. The Interested Bidders which qualify in accordance with the terms of this EOI Request and are shortlisted to proceed with the Transaction, shall be referred to as the “Shortlisted Bidders”. The Transaction Advisor would directly advise the Interested Bidder regarding their qualification as ‘Shortlisted Bidder’ in due course.
- iv. The Interested Bidder would also have to submit a Demand Draft of Rs.5,00,000 (Rupees Five Lakh Only) towards non-refundable fee drawn in favour of “**SBI Capital Markets Limited – Fee for EOI**”, payable at New Delhi. Alternatively, NEFT transfer may be made to following account of SBI Capital Markets Limited:

Name: SBI Capital Markets Limited – Fee for EOI

A/c No: 37340369409

IFSC: SBIN0004803

Branch Address: SBI, Overseas Branch, Jawahar Vyapar Bhawan, Delhi 110 001

B. Stage II:

- i. The Shortlisted Bidders will be provided with Request for Proposal (“RFP”) / Definitive Agreement(s) via the data room/ e-mail to review documents pertaining to the Company for conducting a due diligence on the Company and a Confidential Information Memorandum (“CIM”), which shall provide further details of the Transaction including, inter alia, the transaction structure subject to the IB having satisfactorily entered into a confidentiality undertaking (at the time of submission of EOI). The Shortlisted Bidders would be required to undergo a transparent bidding process for acquisition of Specified Shareholder shareholding of 93.71% in NINL, in accordance with the terms of the RFP.

- ii. The Shortlisted Bidders shall be required to deposit an earnest money at Stage II and the quantum would be advised as part of RFP.
- iii. Subsequently, a site visit (cost of which will be borne by the Shortlisted Bidders) may be scheduled to facilitate the Shortlisted Bidders in their assessment of the Plant at the discretion of the Company. The modalities related to the visit and due diligence will be provided in the RFP.
- iv. The Shortlisted Bidders shall carry out their own due diligence, independent assessment and appraisal of the plant and the Transaction. The Company or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto and shall not be liable in any manner whatsoever.
- v. The financial bids shall be submitted by the Shortlisted Bidders in the manner to be provided in the RFP. 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.
- vi. Shortlisted Bidders, who participate in the financial bid submission, will be required to apply for security clearance process in accordance with the terms of the PIM/ RFP. The execution of the Share Purchase Agreement / Definitive Agreements and the completion of the Transaction would be subject to the security clearance process.
- vii. Setting up of Reserve Price – The GoI shall set up the reserve price for the transaction after the receipt of the financial bids, but prior to opening of the financial bids in accordance with DIPAM Guidelines. Subject to DIPAM Guidelines, the reserve price shall be confidential and shall not be known to bidders.
- viii. The Shortlisted Bidder, after approval of the CCEA, would be designated as the **“Successful Bidder”**.

4. INSTRUCTIONS TO INTERESTED BIDDERS

4.1 General Conditions

- 1) PIM and EOI Request is available for downloading from websites of DIPAM at www.dipam.gov.in, Ministry of Commerce & Industry at www.commerce.gov.in, Company at www.ninl.in and Transaction Advisor at www.sbicaps.com.
- 2) The documents including this PIM and EOI Request and all attached documents are and shall remain or become the properties of the GOI and are transmitted to the IBs solely for the purpose of preparation and submission of an EOI in accordance herewith. IBs are to keep all data/information of NINL (shared as part of the Transaction) as strictly confidential and shall not use it for any purpose other than for preparation and submission of their EOI/ financial bid.
- 3) The Interested Bidders shall bear all costs associated with the preparation and submission of the EOI and also all costs associated with conducting the due diligence. The Advisors/GOI/Company shall not, under any circumstances, be responsible or liable for any such costs, whether direct, incidental or consequential and no cost incurred by the IBs in this regard shall be borne by the Company, GOI or the Advisors.
- 4) The Interested Bidders are expected to carry out their own investigations and other examination in relation to the Transaction before submitting their EOIs.
- 5) Interested Bidders shall have satisfied themselves of their queries before participating in the Transaction.
- 6) Notwithstanding anything to the contrary contained in this PIM, the detailed terms specified in the Definitive Agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IB hereunder shall continue to have effect in addition to its obligations under the Definitive Agreements.
- 7) EOIs are liable to be rejected by GOI/DIPAM if IBs fail to meet the qualifying eligibility criteria as specified in section titled 'Eligibility Criteria' and/or are disqualified in accordance with the conditions specified in section titled 'Disqualifications' in this EOI Request or for any other reason deemed fit, or even without assigning any reason whatsoever.
- 8) GOI/DIPAM reserves the right to modify/postpone/cancel or call off the Transaction without communicating any reasons whatsoever. In such an event no financial obligation whatsoever shall accrue to GOI, the Company, the Advisors or any of their respective officers, employees, advisors or agents.

- 9) The GOI/ Company/ Advisors, and their respective officers, employees and agents or advisors shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the PIM or the EOI process, including any error or mistake therein or in any information or data given by the Transaction Advisor.
- 10) The GOI/ DIPAM/ Company reserves the right not to respond to questions raised or provide clarifications sought, at their sole discretion if considered inappropriate or prejudicial to do so or even otherwise. Nothing contained in this document shall be taken or read as or construed or deemed as compelling or requiring the GOI/ Company to respond to any question or to provide any clarification to the IBs. No extension of any time and date referred to in this EOI Request shall be granted on the basis or grounds that the GOI/ DIPAM/ Company has not responded to any question/ provided any clarification.
- 11) Notwithstanding anything contained in this EOI, the GOI reserves the right to reject any or all EOIs on the grounds of national interest, national security, public interest or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.

4.2 Amendment to EOI Request

At any time prior to the Due Date for submission of EOI, GOI may, for any reason, whether at its own initiative or in response to clarifications requested by any Interested Bidder, modify this EOI Request by the issuance of an addendum. Any addendum/clarification issued shall be uploaded on websites of DIPAM at www.dipam.gov.in, Ministry of Commerce & Industry at www.commerce.gov.in, Company at www.ninl.in and Transaction Advisor at www.sbicaps.com.

In order to afford the Interested Bidders a reasonable time for taking an addendum into account, or for any other reason, GOI may, in their sole discretion, extend the Due Date for submission of EOI.

4.3 Submission of Expression of Interest

- a) The Expression of Interest (EOI), conforming to the conditions of this EOI Request shall be submitted physically along with all annexure(s) duly filled in, in original, at following address on or before the scheduled date and time mentioned in Clause 2.3.

Mr. Arun Jain
Vice President
PA&SF Group

SBI Capital Markets Ltd.
9th Floor, Jeevandeep Building
1, Middleton Street
Kolkata – 700071

However, in order to address the constraints faced by Interested Bidders due to prevailing situation arising out of COVID -19 pandemic, following relaxation in submission is allowed:

IB, if they desire, may submit the complete EOI in electronic form via email to ninl.dipam@sbicaps.com with all the requisite documents in pdf format by the EOI Due Date and time prescribed at **Clause 2.3**. The pdf files should be password protected and the password should be communicated via a separate email at Arun.Jain@sbicaps.com. 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. All the documents submitted in electronic form may either be scanned version of documents with physical signatures or signed digitally using a valid Digital Signature Certificate.

Explanation – For avoidance of any doubt, it is clarified that the Power of Attorney cannot be digitally signed, even if EOI is submitted in an electronic form, which must be physically signed, witnessed, notarized and legalized/apostilled (as required) as per the procedure specified in Annexure 3 and 4 of the PIM. Such signed Power of Attorney may then be scanned and emailed.

- b) EOIs shall be submitted during the working hours (Monday to Friday 10:00 a.m. to 5:00 p.m.) on or before scheduled date and time as stipulated in Clause 2.3.
- c) Submission of the EOI by any other electronic means and/ or facsimile, etc. will not be accepted.
- d) The completed forms, “Annexures” of the bid shall be considered a part of the Definitive Agreements in the case of Successful Bidder.
- e) The EOIs received after the appointed time and date at Clause 2.3 will be rejected.
- f) The Interested Bidder shall submit the EOI physically by mentioning the page number on each document and to be submitted in sequence in a **sealed, covering envelope** clearly marked “**Private and Confidential – Expression of Interest for the Strategic Disinvestment of Neelachal Ispat Nigam Limited**” in different file folders as per the following directions:

Covering envelope:

Envelope 1:



1. Demand Draft of Rs.5,00,000 (Rupees Five Lakh Only) towards non-refundable fee drawn in favour of “**SBI Capital Markets Ltd. –Fee for EOI**”, payable at New Delhi.

Or NEFT in favour of following account of SBI Capital Markets Limited:

Name: SBI Capital Markets Limited – Fee for EOI

A/c No: 37340369409

IFSC: SBIN0004803

Branch Address: SBI, Overseas Branch, Jawahar Vyapar Bhawan, Delhi 110 001

2. EOI Letter in the format specified in **Annexure 1**.
3. Duly filled in **Form A** by IB/ each Consortium Member/ Parent of the Sole Bidder in the event Sole Bidder fulfils the Net worth criteria through its Parent as per **Annexure 2**, including the following major supporting documents:
 - a. Executive summary providing brief description for the IB and (where applicable) for each Consortium Member, Parent whose Net worth has been relied upon by the Sole Bidder containing details like Ownership Structure, Identity of the natural persons who are the ultimate beneficial owners of the IB/ each Consortium Member, the Place of Effective Management of business of the IB/ Parent of Sole Bidder and each Consortium Member (“Place of Effective Management” means the place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made.), etc. write up on business history and growth, business areas / activities, respective revenue details etc., it shall include a brief commentary on the capability of the IB / Parent of Sole Bidder/ Consortium Members, as demonstrated, inter alia, in its past track record, to run its own business.
 - b. Contact information of the IB/ Parent of Sole Bidder/ each Consortium Member including full name, address, telephone and facsimile numbers, e-mail address and the names and the titles of the persons who are the principal points of contact for each member and identifying lead Consortium Member. Details of the website of the IB/ Parent of Sole Bidder/ each Consortium Member are also to be provided.
 - c. Basic information pertaining to incorporation and commencement of business for IB/ Parent of Sole Bidder/ each Consortium Member.

- d. Certified true copies of the following documents to be submitted. However, if IB/ Parent of Sole Bidder/ any Consortium Member cannot submit any of the following documents, it shall state reasons for the same:
- i. Memorandum of Association
 - ii. Articles of Association
 - iii. Certificate of Incorporation
 - iv. Certificate of Commencement of Business
 - v. Charter Documents
 - vi. Other Constitution Documents i.e. Partnership Deed etc. as may be applicable
 - vii. Registration Certificate for AIFs
- e. 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.
- f. A certificate by an independent chartered accountant/statutory auditor/Company Secretary or any other officer in-charge of secretarial/ legal affairs, for the shareholding pattern of the IB/ Parent of Sole Bidder/ each Consortium Member.
- g. A certificate duly signed by Company Secretary or any other officer in charge of secretarial/legal affairs, for eligibility to participate in the Transaction.
- h. An independent chartered accountant/ statutory auditor certificate certifying the fulfillment of Financial Criteria as specified in the Eligibility criteria section.
- i. Audited Financial Statements (on standalone and consolidated basis)/Annual Reports for the previous three financial years.

Provided that, in the event IB/ Parent of Sole Bidder/ any Consortium Member is an unlisted entity, and does not have the audited financial statements of immediately preceding financial year, the latest available unaudited/ provisional financial statements may be given as certified by its statutory auditor; in case such entity is a listed entity, and its audited financial statements are not available for the immediately preceding financial year, the information contained in latest Quarterly Limited Review report is to be submitted. However, the audited financial statements of such IB/ Parent of Sole Bidder/ Consortium Member shall be submitted, as and when prepared as per the statutory requirements and timelines of the relevant countries where it is incorporated.

All financial statements/ annual reports/ net worth certificate submitted should be certified by authorized signatory.

In case the IB/ Parent of Sole Bidder/ any Consortium Member cannot submit the consolidated financial statements as mentioned above, it shall specify reasons for the same.

- j. 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. (The date of execution of board or shareholders' resolution should be prior to the date of execution of the Power of Attorney)
 - k. **Management Organization:** An overview of IB's/ Parent of Sole Bidder/ each Consortium Member's senior management and organization structure certified by the company secretary or any other officer in charge of secretarial/legal affairs of the IB/ each Consortium Member.
 - l. **International Operations/ Joint Venture/Alliances:** Brief note of IB's/ Parent of Sole Bidder/ Consortium Member's international operations, joint ventures, alliances (whether international or domestic, which the IB considers as being material (directly or indirectly) to its business and/ or the Transaction), including incorporation details, registered office, nature and size of such operations, equity ownership/ effective management and control (as applicable).
 - 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.
 - 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.
 - o. If the IB/any Consortium Member is a foreign entity/ overseas corporate body, specify list of statutory approvals from the Government of India/ the Reserve Bank of India/ Department for Promotion of Industry and Internal Trade relevant ministry/ any other Government agency, specifying whether the same is applied for/ to be obtained/ awaited.
4. Appropriately executed General Power of Attorney authorizing the signatory of the EOI to commit the IB/ each Consortium Member (as per **Annexure – 3 and Annexure – 10 for Employee Bids**).

5. Appropriately executed Power of Attorney authorizing the lead Consortium Member to do all acts, deeds and things as may be necessary in connection with the Consortium's Bid for the Transaction (as per **Annexure 4**)
 6. In case of a Consortium (including Employee Consortium), a Consortium Agreement duly executed amongst each of the Consortium Members (as per **Annexure 5**).
 7. Duly executed Confidentiality Undertaking (as per **Annexure 6**).
 8. Duly executed Affidavit by IB / Lead Member of Consortium / Parent of Sole Bidder (as per **Annexure 7**).
 9. A declaration in relation to statement of legal proceedings (as per **Annexure 8**).
 10. A Pen Drive containing scanned copies of the EOI including all the supporting documents referred in this EOI Request.
- g) Unless otherwise specified, a copy of any document that is not the original, shall be a certified true copy (duly verified by a notary) for submission. Documents executed and issued overseas will also have to be apostilled/ consularised using the procedure as per applicable law.
- h) The EOI and all related correspondence and documents in relation to the EOI shall be in English language. Any documents that are not in the English language shall be accompanied by an official translation duly notarized and apostilled/ consularised by the Indian mission of the home country.
- i) GOI/ Transaction Advisor shall bear no responsibility for non-receipt of documents sent by post/courier/fax.
- j) Any additional information supplied subsequent to the Due Date of submission of EOI as prescribed in Clause 2.3, unless the same has been expressly sought for by GOI/ Transaction Advisor, shall be disregarded.
- k) EOIs shall be opened only after the due date and time of submission of EOIs.

4.4 Evaluation of EOI

- 1) Any condition or qualification or any other stipulation contained in the EOI shall render the EOI liable to rejection as a non-responsive EOI.

- 2) The GOI reserves the right to call for any additional document (s)/ information / physical copies of any document from the IBs, which may be considered necessary, without any liability to the Company.
- 3) The Transaction Advisor may seek appropriate clarifications from the IB, if required, while examining the EOI.
- 4) The GOI reserves the right to verify all statements, information and documents submitted by the IB in response to the EOI Request, or the EOI process and the IB shall, when so required by the GOI, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GOI shall not relieve the IB of its obligations or liabilities hereunder nor will it affect any rights of the GOI thereunder.

4.5 Governing Law / Jurisdiction

- 1) This EOI Request and all matters incidental hereto shall be governed by and construed in accordance with the laws of India. All disputes arising out of and in connection herewith shall be subject to the exclusive jurisdiction of the courts at New Delhi.

5. ELIGIBILITY CRITERIA

5.1 Eligibility Criteria

The Eligibility Criteria for the IBs are as follows:

1) Incorporation Criteria:

- a. Any Eligible Entity which is permitted to invest under the laws of India (subject to such entity obtaining all statutory approvals by themselves from the GOI, Department for Promotion of Industry and Internal Trade, RBI, relevant ministry etc. as applicable) can submit an EOI either independently or as a Consortium Member. (“Interested Bidder”)
- b. No IB shall submit more than one EOI. An IB submitting EOI independently or as a Consortium Member shall not be entitled to submit another EOI either independently or as a member of any other Consortium, as the case may be.
- c. The ultimate beneficial owner for any IB should not be the same as that of any other IB or of any Consortium Member. In case of a Consortium, the ultimate beneficial owner of any member of the Consortium should not be the same as that of any member of any other Consortium or that of any sole bidder. In this regard, the IB/consortium member shall submit an undertaking in form of **Annexure 1A**.

In case of any IBs who are funds (including alternate investment funds), ultimate beneficial owner would mean the investment management entity which manages the investments of the fund and not the investors who have invested in the fund

It is clarified that Government Company/ies as such term is defined under the Companies Act, 2013, are not eligible to participate in the Transaction, in accordance with OM issued by Ministry of Disinvestment vide letter No. 4(32)/2002-MoDI dated September 18, 2002. In such context, Government’s ownership means direct holding of the Central Government or of other CPSEs.

2) Financial Criteria:

The Interested Bidder shall satisfy the following financial criteria:

- a. **Net-worth:** The Interested Bidder should have a Minimum Net-worth of Rs.2000 Crore or USD 265 Mn (Rs/\$ conversion of 75.3859 considered as per FBIL <https://fbil.org.in/> as on 31.3.2020). For avoidance of doubt, it is clarified that the net worth of a Sole Bidder will be considered on a consolidated basis. And 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.

Explanation: Net-worth shall mean

In case of a company– “Net-worth” shall be calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure, Intangible Assets, redemption reserves, reserves made for any specific purpose, miscellaneous expenditure not written off as per the latest audited balance sheet which shall not be as of a date earlier than 31st December 2019, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, the cross holding of investments amongst the Consortium Members is also to be deducted where the IB is a Consortium. In case of consolidated financials, non-controlling interest (“NCI”) shall be included in the aforesaid definition of “Net Worth” for determining Consolidated Net Worth based on the consolidated financial statements. However, to the extent the non-controlling interest includes any reserves created out of revaluation of assets, write back of depreciation and amalgamation, the same shall be excluded.

- **In case of LLP** - “Net-worth” shall be calculated as Partners’ Capital and all reserves created out of the profits, after deducting the aggregate value of the accumulated losses, deferred expenditure, Intangible Assets, redemption reserves, reserves made for any specific purpose and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, the cross holding of investments amongst the Consortium Members is also to be deducted where IB is a Consortium.
- **In case of AIF/ Fund** – Net worth shall be considered as committed capital or 0.25 times of assets under management.

b. Financial Criteria shall be assessed on the basis of:

- i. In case of entities other than AIFs and employees:** Audited financial statement of an Interested Bidder (on consolidated basis), of which the latest audited financial statement which shall not be as of a date earlier than 31st December 2019
 - If the audited financial statements are not available for the immediately preceding financial year, unaudited/provisional numbers as certified by the statutory auditors (in case of an unlisted company) or information contained in Quarterly Limited Review report(in case of a listed company) shall be considered.
 - The Financial Criteria should be certified by a statutory auditor (in case of a company) or an independent chartered accountant (in case of other Eligible Entities).

- ii. **In case of AIFs/ Funds:** A certificate from Statutory Auditor or an independent chartered accountant certifying assets under management or committed capital shall be submitted. Certificate should not be older than 3 months from the date of EOI Request.
- iii. **In case of bids by employees of NINL:**
- For Employees: Practicing Chartered Accountant’s certificate not older than 3 months from the date of EOI Request, certifying Net-worth of employees.
 - For bank/venture capitalist/financial institution: Statutory Auditor/ practicing Chartered Accountant’s certificate not older than 3 months from the date of EOI Request, certifying its Net-worth.
 - Bids by management/employees of NINL shall satisfy the minimum Net worth criteria as specified in Financial Criteria clause. The combined net worth of participating employees and bank/venture capitalist/financial institution, as may be applicable, shall be taken into account for calculating minimum net worth requirement as per Financial Criteria clause and in accordance with Conditions for bidding by Consortium
- c. Where the financial statements are expressed in a currency other than the Indian Rupee, the eligible amount as described above shall be computed by taking the equivalent amount at the exchange rates prevailing on the dates of such financial statement as stipulated by Reserve Bank of India/ Financial Benchmarks India Limited (FBIL). All financial information required for satisfying the eligibility criteria shall be represented in Indian Rupees.
- d. The Net worth criteria may be satisfied either by the IB or its Parent (in case of Sole Bidder only). It is clarified that in addition to the eligibility requirement on ultimate beneficial ownership, two or more IBs cannot use financial strength of the same Parent. Such Parent in addition to the documents stipulated in this EOI Request may be required to sign Definitive Agreements or other additional documents and compliance with lock in requirement as may be specified in the RFP.
- e. The combined / cumulative Net Worth of the Consortium should meet the minimum Net Worth criteria mentioned, calculated as follows:

Net Worth of the Consortium = [(Net Worth of Lead Member) + (Net Worth of member 2) + (Net Worth of member 3) + (Net Worth of member 4)].

3) Formation of SPV:

a. **Where IB is a Sole bidder:** 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) 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). The conditions regarding meeting of eligibility/ disqualification criteria as well as obtaining of security clearance is as below:

- **Scenario 1** - EOI is filed by the sole bidder which satisfies financial criteria on its own and forms an SPV for acquisition.
- **Scenario 2** - EOI is filed by a Subsidiary (sole bidder) of the Parent and satisfies the financial criteria using the net worth of its Parent and sole bidder forms an SPV for acquisition.

(i) Eligibility / disqualification criteria

- Scenario 1 - The sole bidder must satisfy the eligibility criteria. Both the sole bidder and the SPV shall be subject to the disqualification criteria.
- Scenario 2 - the Parent of the sole bidder; must satisfy the net worth eligibility criteria; the sole bidder must satisfy all other eligibility criteria; and all three i.e. the Parent, sole bidder and the SPV shall be subject to the disqualification criteria.

(ii) Execution of Definitive Agreement(s)

- Scenario 1: to be executed by the SPV and sole bidder
- Scenario 2: to be executed by the SPV, the Parent and sole bidder.

(iii) Security clearance in the case of Sole Bidder

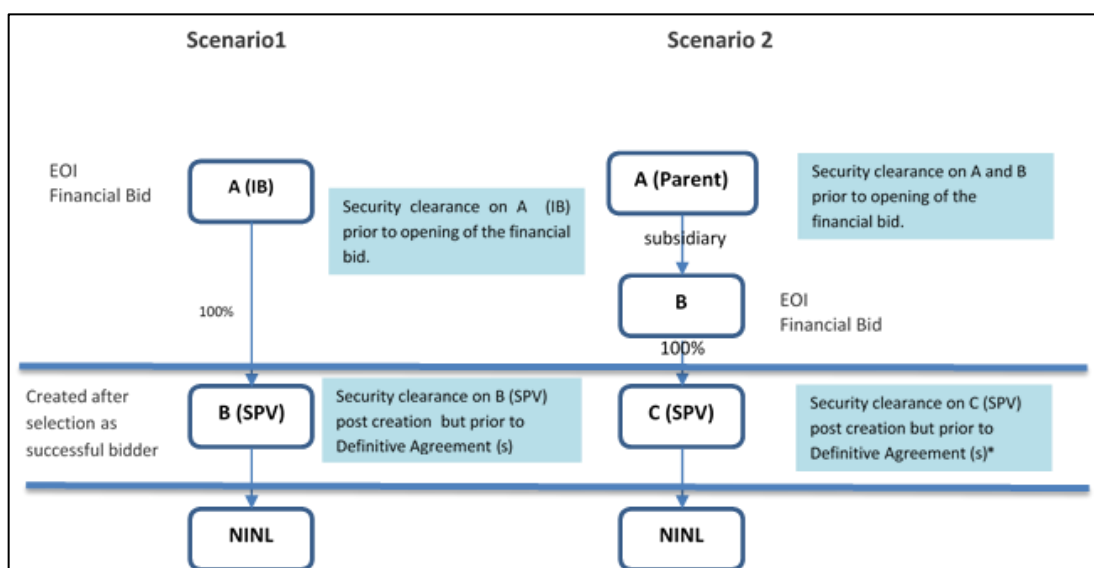
Along with the financial bid, sole bidder needs to submit its application for security clearance along with relevant documents as part of its financial bid, details of which will be provided in the RFP. The entities for which, security clearance shall be obtained are as under:

- Scenario 1: Where EOI is filed by a sole bidder which satisfies financial criteria on its own; security clearance of the sole bidder shall be obtained.
- Scenario 2: Where EOI is filed by a Subsidiary (sole bidder) of the Parent which satisfies financial criteria using the net worth of its Parent, security clearance of the Parent and the sole bidder both shall be obtained.

If after selection, the selected sole bidder is interested in forming a SPV, either in scenario 1 or scenario 2, the SPV too shall undergo security clearance before entering into Definitive Agreement (s). For this purpose, the sole bidder may furnish details of the geography in which the SPV is planned to be formed as also the details of the likely Directors of such a SPV for the limited security clearance as part of RFP. Security clearance of SPV shall be obtained prior to signing of Definitive Agreement (s). However, if the sole bidder forms the SPV prior to submission of financial bid and is thereby required to apply for security clearance of SPV, then the security clearance of that SPV and bidder shall be obtained before opening of financial bid.

Diagrammatic Representation of above scenarios is as below:

Figure 5-1: Diagrammatic Scheme for Sole Bidder SPV Formation



*SPV maybe formed at any time after submission of EOI - either before or after submission of financial bids, or after being identified as successful bidder.

As per above illustration:

A sole bidder, who has filed EOI, either directly by itself (scenario-1: where A (IB) is meeting qualification criteria on its own), or indirectly, as a subsidiary of its Parent company (scenario-2: where B (IB) is relying on Parent i.e. entity in whose books the IBs accounts are consolidated, to meet the qualification criteria) is allowed to form a SPV i.e. a 100% subsidiary, created for the purpose of the transaction by the IB who has submitted

the EOI, at their option, at any time after submission of EOI but prior to signing of the Definitive Agreement(s). For a sole bidder, the following will be applicable:

Particulars	Sole Bidder - Scenario 1	Sole Bidder- Scenario 2
Eligibility criteria applicability	A (IB – all criteria including financial criteria to be satisfied)	A (Parent of IB satisfying financial criteria) B (IB – all other criteria apart from financial criteria)
Disqualification criteria applicability	A (IB) B (SPV)	A (Parent) B (IB) C (SPV)
Execution of Definitive Agreement(s)	A (IB) B (SPV)	A (Parent) B (IB) C (SPV)
Security clearance in the case of Sole Bidder	A (IB) – to be done prior to opening financial bid	A (Parent) & B (IB) - to be done prior to opening financial bid
Security Clearance of SPV	B (SPV) - to be done prior to execution of definitive agreement in case formed after submission of financial bids; if formed prior to submission of financial bid then the security clearance of that SPV shall be obtained before opening of financial bid.	C (SPV) - to be done prior to execution of definitive agreement in case formed after submission of financial bids; if formed prior to submission of financial bid then the security clearance of that SPV shall be obtained before opening of financial bid.

- b. Where IB is a Consortium:** 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). The shareholding of the Consortium SPV on a fully diluted basis shall be the same as the shareholding of the members in the Consortium. For avoidance of doubt, the Consortium SPV shall be allowed to raise further capital, as long as the shareholding pattern of the Consortium SPV remains the same. The conditions regarding meeting of eligibility/ disqualification criteria as well as obtaining of security clearance is as below:

(i)**Eligibility /disqualification criteria:** to be satisfied by the Consortium SPV and all members of Consortium as per the PIM/EOI.

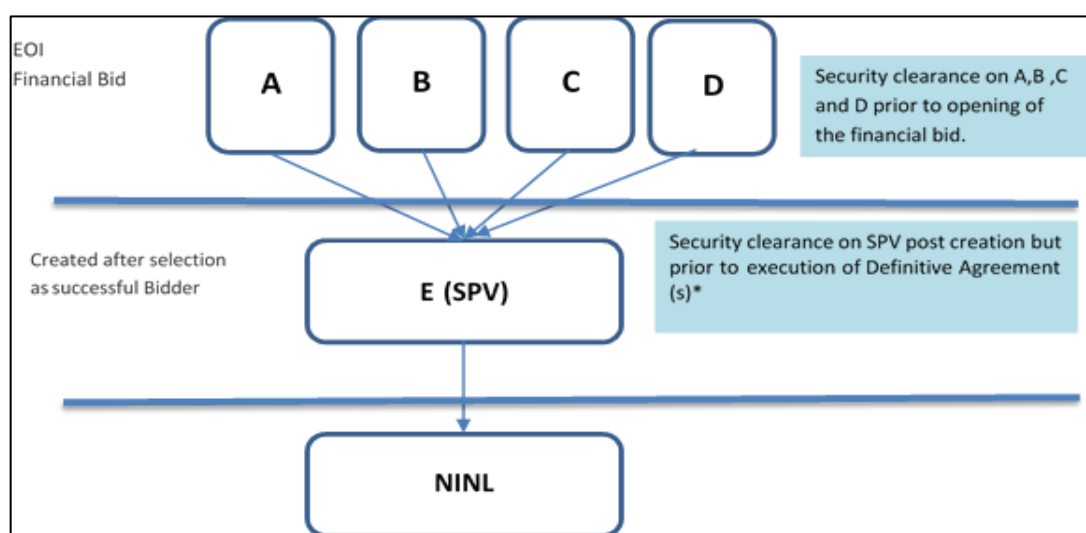
(ii)**Definitive Agreement(s)** - to be signed by the Consortium SPV and all members of Consortium.

(iii)**Security Clearance in the case of a Consortium**

- Along with the financial bid, Consortium needs to submit its application for security clearance along with relevant documents as part of its financial bid, details of which will be provided in the RFP. Security clearance of Consortium Members shall be done prior to opening of the financial bid.
- If the Consortium forms the Consortium SPV prior to submission of financial bid and applies for security clearance of Consortium SPV, then the security clearance of that Consortium SPV and Consortium Members shall be obtained before opening of financial bid.
- However, if the Consortium intends to form Consortium SPV after the financial bid, it may furnish details of the geography in which such a Consortium SPV shall be formed and also the details of the likely Directors of such a Consortium SPV for the limited security clearance. In such cases, security clearance of Consortium SPV shall be obtained prior to signing of Definitive Agreement (s).

Diagrammatic Representation of above scenarios is as below:

Figure 5-2: Diagrammatic Scheme for Consortium SPV Formation



*SPV maybe formed at any time after submission of EOI - either before or after submission of financial bids, or after being identified as successful bidder.

As per above illustration:

A,B, C and D form a consortium for submission of EOI and financial bid. 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). For consortium bidders, the following will be applicable:

Particulars	Consortium
Eligibility criteria applicability	All members of consortium (A,B, C and D) and the SPV (E)
Disqualification criteria applicability	All members of consortium (A,B, C and D) and the SPV (E)
Execution of Definitive Agreement(s)	All members of consortium (A,B, C and D) and the SPV (E)
Security clearance of consortium members	To be done prior to opening financial bid
Security Clearance of SPV	To be done prior to execution of definitive agreement in case formed after submission of financial bids; if formed prior to submission of financial bid then the security clearance of that SPV shall be obtained before opening of financial bid.

4) Withdrawal/ Change of EOI –

Any change prior to the last date for submission of EOI may be permissible by withdrawing the EOI and submitting a fresh EOI before the last date for submission of EOI. An IB submitting the EOI cannot be replaced by another subsidiary of its Parent or a SPV created by its Parent at any stage of the Transaction.

5) Conditions for bidding by Consortium:

Eligible Entities are permitted to form a Consortium to participate in the Transaction. The maximum number of members, including Lead Member, in a consortium should be **[4 / four]**. A member of a consortium cannot participate simultaneously as a part of another consortium or as a sole bidder.

- a. Lead Member:** The Consortium shall have only one (1) Lead Member.

b. Minimum stake requirement:

- i. Lead Member shall hold at-least 40% equity shareholding on a fully diluted basis in the Consortium (i.e. holding at least 40% equity shareholding on a fully diluted basis of the Consortium SPV to be promoted in case it becomes the Successful Bidder)
- ii. Each Consortium Member shall hold at least 10% equity shareholding on a fully diluted basis in the Consortium (i.e. holding at least 10% equity shareholding on a fully diluted basis of the Consortium SPV to be promoted in case it becomes the Successful Bidder)

c. Financial Criteria**i. Net-worth:**

- 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.

Explanation: Combined Net worth = (Net-worth of Lead Member) + (Net-worth of Member 2) + (Net-worth of Member 3) + (Net-worth of Member 4)

- The Lead Consortium Member shall have a Net-worth contribution, of at least 40%, towards the calculation of Minimum Net-worth for testing its eligibility

Explanation: Lead Member should have Net Worth of at-least 40% of the Minimum Net-worth Criteria as mentioned in Clause 2(a) above i.e. 40% of Rs. 2000 crore or USD 265 Mn (Rs/\$ conversion of 75.3859 considered as per FBIL <https://fbil.org.in/> as on 31.3.2020).

- Each Consortium Member shall have a positive Net-worth.

The following examples illustrate the compliance of IB with Eligibility Criteria. The below examples are illustrative and solely for the purposes of reference to the IBs and meant for guidance only.

Table 5-1: Illustrative Example 1: Consortium members and eligibility criteria

	Details of Consortium Members				Eligibility of Consortium
	M1 (Lead Member)	M2 (AIF/ fund)	M3	M4	
% Stake in Consortium (i.e. equity share capital on fully diluted basis of the Consortium SPV)	40%	25%	20%	15%	
Net-worth/ AUM for AIF(Rs. Crore)	800	1000	500	700	
Eligibility criteria	Eligibility of Members				
Net-worth Criteria					
- Combined Net-worth of Consortium to be minimum Rs. 2000 crore	Combined Net-worth Rs. 2250 crore (800+ 0.25 x 1000 + 500+ 700)				✓
- Lead Member: Lead Member to have minimum 40% Net-worth contribution	✓ NW of 800 >= 800 (40% X 2000)	NA	NA	NA	✓
- Each Consortium Member excluding Lead member to hold min 10% equity share capital on fully diluted basis of the Consortium SPV	NA	✓	✓	✓	✓
- Each Consortium Member to have +ve Net-worth	✓	✓	✓	✓	✓
Consortium meets the eligibility criteria					

Table 5-2: Illustrative Example 2: Consortium members and eligibility criteria

	Details of Consortium Members				
	M1 (Lead Member)	M2 (AIF/ Fund)	M3	M4	
% Stake in Consortium (i.e. equity share capital on fully diluted basis of the Consortium SPV)	40%	25%	25%	10%	
Net-worth/ AUM for AIF (Rs. Crore)	1,000	150	100	200	
Eligibility criteria	Eligibility of Members				Eligibility of Consortium
Net-worth Criteria					
- Combined Net-worth of Consortium to be minimum Rs. 2000 crore	Combined Net-worth Rs. 1,337.50 crore (1000+ 0.25 x 150+100+200)				✘
- Lead Member: Lead Member to have minimum 40% Net-worth contribution	✓ NW of 1000>800 (40% X 2000)	NA	NA	NA	✓
- Each Consortium Member excluding Lead member to hold min 10% equity share capital on fully diluted basis of the Consortium SPV	NA	✓	✓	✓	✓
- Each Consortium Member to have +ve Net-worth	✓	✓	✓	✓	✓
Consortium fails to meet the eligibility criteria					

Table 5-3: Illustrative Example 3: Consortium members and eligibility criteria

	Details of Consortium Members				
	M1 (Lead Member)	M2 (AIF/ Fund)	M3	M4	
% Stake in Consortium (i.e. equity share capital on fully diluted basis of the Consortium SPV)	40%	45%	10%	5%	
Net-worth/ AUM for AIF (Rs. Crore)	1000	1,600	1100	900	
Eligibility criteria	Eligibility of Members				Eligibility of Consortium
Net-worth Criteria					
- Combined Net-worth of Consortium to be minimum Rs. 2000 crore	Combined Net-worth Rs. 3,400 crore (1000 + 0.25 x 1600 + 1100+900)				✓
- Lead Member: Lead Member to have minimum 40% Net-worth contribution	✓ NW of 1000 > 800 (40% X 2000)	NA	NA	NA	✓
- Each Consortium Member excluding Lead member to hold min 10% equity share capital on fully diluted basis of the Consortium SPV	NA	✓	✓	✗	✗
- Each Consortium Member to have +ve Net-worth	✓	✓	✓	✓	✓
Consortium fails to meet the eligibility criteria					

Table 5-4: Illustrative Example 4: Consortium members and eligibility criteria

	Details of Consortium Members				
	M1 (Lead Member)	M2 (AIF/ Fund)	M3	M4	
% Stake in Consortium (i.e. equity share capital on fully diluted basis of the Consortium SPV)	40%	25%	20%	15%	
Net-worth/ AUM for AIF (Rs. Crore)	1,000	1,600	(250)	600	
Eligibility criteria	Eligibility of Members				Eligibility of Consortium
Net-worth Criteria					
- Combined Net-worth of Consortium to be minimum Rs. 2000 crore	Combined Net-worth Rs. 2,000 crore (1000 + 0.25 x 1600 + 600)				✓
- Lead Member: Lead Member to have minimum 40% Net-worth contribution	✓ NW of 1000 > 800 (40% X 2000)	NA	NA	NA	✓
- Each Consortium Member excluding Lead member to hold min 10% equity share capital on fully diluted basis of the Consortium SPV	NA	✓	✓	✓	✓
- Each Consortium Member to have +ve Net-worth	✓	✓	x	✓	x
Consortium fails to meet the eligibility criteria					

Table 5-5: Illustrative Example 5: Sole Interested Bidder and eligibility criteria

	Details of Interested Bidder
Net-worth/ 0.25 x AUM (in case of AIF/ Fund) (Rs. Crore)	2,000
Eligibility criteria	Eligibility of IB
Net-worth Criteria (Positive and >=Rs 2000 Crore)	✓
IB meets the eligibility criteria	

d. Restriction on change in composition of Consortium:

- i. **Prior to Due Date for submission of EOI:** The IB has the option to withdraw/ resubmit a fresh EOI prior to due date of submission of EOI.
- ii. **After the Due Date for submission of EOI till determination of Shortlisted Bidders:** No change, either by way of withdrawal/substitution/addition of any Consortium Member or any change affecting the composition of the Consortium will be permitted after the due date for submission of EOI, as prescribed in Clause 2.3, till short listing of Interested Bidders. Please also refer to clause 5.2 (10)

6) Conditions in case of employee bids:

- a) Subject to compliance with Guidelines for management-employee bids in strategic sale issued vide Office Memorandum No. 4/38/2002/DD-II dated April 25, 2003 (“Employee Guidelines”) and the terms and conditions stipulated in this EOI Request, Employees can participate in the Transaction as Interested Bidders either (a) directly and independently (“**Direct Employee Participation**”) or (b) by forming of a consortium along with a bank, venture capitalist or a financial institution (“**Employee Consortium**”).
 - b) Where EoI is submitted by Employees (whether as Direct Employee Participation or Employee Consortium), it shall be accompanied by a duly executed Power of Attorney (as per **Annexure 10**) where Employees forming part of such EOI shall appoint one participating Employee to be their lawful attorney for submission of EOI and connected documents and be the lawful attorney of the other participating Employees.
 - c) The GOI and Advisors may provide for such further clarifications, conditions, criteria as it may deem necessary for the purposes of Employees to participate.
 - d) Entity is required to be formed by employees that will satisfy minimum net worth criteria as stated above. Further, employee would be required to make 10% contribution towards the financial bid in case of forming an Employee Consortium.
- 7) An IB can submit only one EOI i.e. either as a sole bidder or as a member of one Consortium. In case, more than one EOI is submitted by an IB, all such EOIs shall be disqualified.
- 8) IB/Parent of Sole Bidder (in case of reliance on net worth of Parent by the Sole Bidder), Consortium Member should not have been convicted by a court of law or indicted/ have any

adverse order passed against them by any other regulatory authority in any matter involving a grave offence and/ or which casts a doubt on its ability to participate in the Transaction. Further, the IB, its directors, Promoters / Promoter Group members/Subsidiaries/Associate Company, any Consortium Member, its director or its Promoters/Promoter Group / Subsidiary/Associate, that have been charge-sheeted or convicted on matters relating to national security or integrity under the provision of the Indian Penal Code,1860 or Official Secrets Act, 1923 or other relevant legislation, shall not be eligible. The mere fact that an appeal against any such order mentioned above is pending in any court of law or any regulatory authority will not dilute the disqualification.

- 9) Additionally, the IB/ Parent of Sole Bidder (in case of reliance on net worth of Parent by the Sole Bidder) /Consortium Member or any of their Subsidiary or Associate Company should not be party to any existing disputes or legal proceedings by or against NINL, or its directors in capacity as directors of NINL which proceeding may be prejudiced by the participation of the IB/Consortium Member in the selection process or the Transaction.

5.2 Other Terms and Conditions

- 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. IB shall have the obligation to immediately notify the Transaction Advisor on its becoming ineligible any time during the Transaction. In the event of any IB getting disqualified or not meeting the eligibility criteria, such IB shall not be permitted to continue to participate in the Transaction.
- 2) All the EOI(s) shall be valid till submission of financial bid or such other time as may be notified to the Interested Bidders.
- 3) All financial statements or data to be derived therefrom for the evaluation of Financial Criteria referred herein shall mean on a consolidated basis.

4) Lock in of Shares & Other Restrictions

The Shortlisted Bidder could be required to undertake certain obligations relating to certain matters, such as, employee protection, asset stripping, business continuity, lock-in of the shares acquired in the Transaction, and/or shareholding of consortium members in the Investment Vehicle. These conditions, and those relating to the respective responsibilities and liabilities of the Shortlisted Bidder and the Consortium Members (if any), shall be specified in the RFP/

Definitive Agreement(s).

- 5) **Requisite approvals:** The IB shall be required to obtain all necessary approvals under applicable laws from relevant government agencies, including the Ministry of Commerce & Industry, as may be required to enable the Interested Bidder to enter into the Definitive Agreements before completing the Transaction. It may be noted that key approvals that may be required for the Transaction are for transfer of mine, transfer of land lease (currently being assessed by NINL) and NOC from lenders. However, routine and other approvals, may also be required depending on the Transaction structure.
- 6) Where the Interested Bidder/ Consortium Member is a foreign entity, it shall ensure that it meets extant FDI norms and regulations.
- 7) The Interested Bidders shall evaluate and ensure that they are permitted to invest under applicable laws to the extent they propose to participate.
- 8) Only Interested Bidders which are permitted under applicable laws to participate (to the extent of their proposed participation) shall be permitted to bid.
- 9) Further details regarding change in Control restrictions of the Successful Bidder and each Consortium Member, shall be provided at RFP stage.
- 10) **Change in Consortium or conversion of non-consortium IB to Consortium:**Where a sole bidder or Consortium has submitted the EOI, it is expected that there shall not be any changes in the Consortium Members or sole bidder will not form a Consortium, except as provided below:

Any change prior to the last date for submission of EOI may be permissible by withdrawing the EOI and submitting a fresh EOI before the last date for submission of EOI. However, 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, a Consortium desires a change in the Consortium, by inclusion/exclusion of members, or a sole bidder desires to form a Consortium by inducting new member(s), it shall have 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 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.

- a. In case of a Consortium, following conditions shall be met:

- i. Change shall be permitted only once after the last date for submission of EOI
 - ii. No change in Lead Member shall be allowed
 - iii. Shifting from one Consortium to another shall not be permitted
 - iv. The changed Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM/EOI Request.
 - b. In case of a sole bidder forming a Consortium, following conditions shall be met:
 - i. The sole bidder will be the Lead Consortium Member
 - ii. Change shall be permitted only once after the last date for submission of EOI
 - iii. Shifting from one Consortium to another shall not be permitted
 - iv. The Consortium shall continue to meet the Eligibility Criteria and other requirements set out in the PIM/EOI Request.
 - 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. Similarly, in case two consortium are qualified based on the EoI submitted, then consolidation into a single consortium shall not be permitted.
- 11) 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.
- 12) Notwithstanding anything contained in this EOI Request, the GOI reserves the right to reject any EOI and to annul the EOI process and reject all EOIs at any time without any liability or any obligation for such acceptance, rejection or annulment, including on grounds of national integrity, national security and national interest and without assigning any reasons therefore. In the event that the GOI rejects or annuls all the EOIs, it may, in its discretion, invite all eligible IBs to submit fresh EOIs hereunder.
- 13) The GOI reserves the right not to proceed with the EOI process at any time, without notice or liability, and to reject any EOI without communicating any reasons.

- 14) The fact that the GoI may entertain bids by entities (including SPVs) from a jurisdiction outside of India should not be construed as approval from the GoI on any tax issues relating to foreign investments in India that may arise in relation to the Proposed Transaction. IB has to comply with relevant tax laws and procedure.

6. DISQUALIFICATION

- 1) Any EoI which has been found to be incomplete in content or attachments or authenticity may be rejected. TA shall reserve the right to seek clarifications/ pending documents in order to enable omissions to be dealt with during qualification process subject to intimation to GOI.
- 2) Without prejudice to any other rights or remedies available to GOI, the GOI reserves the right to disqualify any IB or Consortium Member and exclude its EOI from further consideration for any of the reasons, including without limitation listed below:
 - a. Any misrepresentation/ false statement made by an IB/ any ConsortiumMember at any stage of the Transaction, whether in the EOI, the financial bid, supporting documentation or otherwise and whether written or oral.
 - b. If the EOI submitted by the IB is in any respect inconsistent with, or demonstrates any failure to comply with, the provisions of the EOI Request, including not being accompanied by the non-refundable Fee.
 - c. If any condition or qualification or any other stipulation is inserted by the IB/ any ConsortiumMember, in the EOI submitted by them.
 - d. Failure by IB/ any Consortium Member to provide the necessary and sufficient information required to be provided in the EOI in accordance with this EOI Request.
 - e. Failure by IB/ any Consortium Member to provide, within the time specified by the GOI/ Transaction Advisor, the supplemental information sought by the GOI/ Transaction Advisor for evaluation of the EOI.
 - f. Submission of more than one (1) EOI by any IB either as sole bidder or as Consortium Member in which case, all such EOIs or where the ultimate beneficial owner of any IB / Consortium Member is the same as that of any other IB / member of any other Consortium, shall be rejected.
 - g. The IB not satisfying the eligibility and requisite qualification criteria specified in the EOI Request and hence not being eligible.
 - h. Failure by IB/ any Consortium Member to comply with any other condition or requirement as listed in the EOI Request.
 - i. In case the IB/ any Consortium Member is a Government Company/ies as such term is defined under the Companies Act, 2013

- j. Failure to comply with any reasonable request of GOI/ Transaction Advisor in relation to the Transaction.
- k. If GOI is not satisfied with sources of funds/ownership structure of the IB.
- l. If at any time it is discovered that the IB/ Consortium Member or its respective Promoter are subjected to winding up/insolvency/ bankruptcy proceedings or other proceedings of a similar nature.
- m. Any of the outstanding indebtedness of the IB/ any Consortium Member or its respective Parent (in case of reliance on parent net worth) availed from either banks or financial institutions being classified as ‘non-performing asset’ or any equivalent classification in their respective jurisdiction for period of 12 months prior to date of submission of EOI
- n. Any information regarding or in connection with the IB/ Consortium Member, their directors, their Associate Company, Subsidiary, Promoter or Promoter Group which becomes known that is detrimental to the national security and/or national interest and/or the Transaction and/or the interests of the Company.
- o. 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.
- p. Initiation or existence of any legal proceedings, by or against the IB/ Consortium Member, their Subsidiary or Associate Company, in respect by or against NINL or its directors in capacity as directors of NINL, which proceeding may be prejudiced by the participation of the IB/ Consortium Member in the selection process or the Transaction.
- q. IB/ Consortium Member or its Promoters or Promoter Groups or directors of IB/Consortium Member is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities by any Governmental Authority.
- r. IB/ Consortium Member or its Promoters or Promoter Groups or directors of IB/Consortium Member are appearing in the RBI list of wilful defaulters or any such list by a competent authority in their respective jurisdiction.

For the purpose of this clause, “Wilful Defaulter” means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in

accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or Promoter is categorized as such.

- s. IB/ Consortium Member is an erstwhile Overseas Corporate Bodies (OCB) which is incorporated outside India and are under the adverse notice of RBI.

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

- t. IB/ Consortium Member is prohibited or restricted from investing in NINL under FEMA, 1999 or any rules or regulations made there under. It being clarified that sectors where government approval is required will not be considered as ‘restricted’ from investing.

- u. If it is discovered at any stage of the Transaction that the IB/ Consortium Member does not possess requisite corporate authorizations to participate in the Transaction.

- 3) Where IB is a Consortium, if any of the Consortium Members are disqualified, the Consortium shall automatically stand disqualified.
- 4) Breach of Undertaking executed by the IB;
- 5) In regard to matters relating to the national security and national integrity, any charge-sheet by any Governmental Authority / conviction by a court of law including under the provisions of the Indian Penal Code or Official Secrets Act or any other relevant legislation for an offence committed by the IB/Consortium Member, their directors or any of its Promoter/Promoter Group/Subsidiary/Associate Company would result in disqualification. The mere fact that an appeal against any such order mentioned above is pending in any court of law or any regulatory authority will not dilute the disqualification.
- 6) The IB / any Consortium Member who is not qualified to participate in the Transaction pursuant to the Government of India office memorandum No. 3/9/2016-DoD-II-Bdated September28, 2017(as per **Annexure 12A**), as amended from time to time.

- 7) If the IB/ any Consortium Member does not satisfy any of the requirements as may be issued by the GOI by way of notifications/ guidelines / circulars or such similar notifications from time to time, including any conditions for qualification, the EOI submitted by the IB shall be disqualified.
- 8) Integrity Pact Clause: If an IB/any Consortium Member is found involved in corrupt practices, unfair means or illegal activities during any stage of the Transaction or during the bid process and during the negotiation and execution of the Definitive Agreements, the IB shall be disqualified, at the sole discretion of GoI.
- 9) If any default, as above, becomes known after the IB has been shortlisted to receive the CIM that would have entitled GOI to reject or disqualify the IB, GOI reserves the right to reject or disqualify the IB at the time such information becomes known to GOI.
- 10) GOI's determination that one or more of the events specified in this Clause 6 has occurred shall be final and conclusive.
- 11) The above circumstances for disqualifications, at the discretion of GOI, shall also be applicable to Parent, where any Sole Bidder fulfils the Net worth criteria through its Parent.

7. ANNEXURES

Annexure 1: Format for Letter of EOI

(To be typed on the letterhead of the IB/ Lead Consortium Member submitting the EOI)

Reference No. _____ Date _____

To,

Mr. Arun Kumar Jain
Vice President
PA&SF Group
SBI Capital Markets Ltd.
9th Floor, Jeevandeep Building
1, Middleton Street
Kolkata – 700071

Kind Attention: Mr. Arun Kumar Jain

Sub: EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF NEELACHAL ISPAT NIGAM LIMITED (“NINL”)

Sir/ Madam,

This is with reference to the advertisement dated [●] (“**Advertisement**”) inviting Expression of Interest (“**EOI**”) for strategic disinvestment of 93.71% equity share capital of Neelachal Ispat Nigam Limited (“**NINL**” or “the **Company**”) along with transfer of management control (“the **Strategic Disinvestment**”).

This communication has been issued by the [Interested Bidder (as defined below) OR Lead Member (as defined below) for and on behalf of the Consortium (as defined below)].¹

We have read and fully understood the contents of the Advertisement, the Preliminary Information Memorandum and EOI Request dated [●], including all of the qualification requirements and

¹Strike out, whichever is not applicable

information provided therein. Capitalised expressions used in this letter (including all enclosures) have the same meaning as ascribed thereto in the EOI Request dated [●].

We hereby express our interest for participating in the Transaction and confirm and undertake as follows:

1. We are interested in bidding for the strategic disinvestment of 93.71% equity share capital of NINL.
2. [We are submitting this EOI as [●] [insert name of Interested Bidder] having its registered office at [●]

OR

2. We have formed a consortium comprising [●]members (“**Consortium**”) as follows:
 - a. [●]holding [●]% stake in the Consortium i.e. holding [●]% of the equity share capital of the Consortium SPV, on a fully diluted basis, and is designated as Lead Member as per the Consortium Agreement executed among all the Consortium Members (“**Lead Member**”);
 - b. [●]holding [●]% stake in the Consortium i.e. holding [●]% of the equity share capital of the Consortium SPV, on a fully diluted basis;
 - c. [●]holding [●]% stake in the Consortium i.e. holding [●]% of the equity share capital of the Consortium SPV, on a fully diluted basis; and
 - d. [●]holding [●]% stake in the Consortium i.e. holding [●]% of the equity share capital of the Consortium SPV, on a fully diluted basis

OR

2. We are permanent employees of NINL and are participating in this Transaction independently. The list of employees is provided below:

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN and TAN

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OR

2. We are permanent employees of NINL and have formed a consortium with [●] [insert name of bank/ FI/ VC Fund]] as follows:
- Employees holding [●]% equity share capital in the Consortium , on a fully diluted basis; and
 - [●]holding [●]%equity shareholding in the Consortium, on a fully diluted basis;

The list of employees is provided below:

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Aadhaar No/ Passport No)	PAN and TAN

² (hereinafter referred to as the “Interested Bidder” or “IB”)

- We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and the PIM and we satisfy the eligibility criteria detailed in the Advertisement and the Request for Expression of Interest dated Month, Date, 2021, including the guidelines of Department of Investment and Public Asset Management OM No. 3/9/2016–DoD-II-B dated [September 28, 2017] as amended from time to time.
- We confirm and represent that we have the requisite corporate authorisations to submit the EOI.
- We confirm that we have not been classified as a Government Company under the Companies Act 2013, and satisfy the criteria as laid down in Annexure 12B.

²Strike out, whichever is not applicable

6. We represent that all the information provided in the EOI along with supporting documents is complete and accurate in all respects
7. We have agreed that [●] (insert name and designation of individual) will act as our representative/representative of the Consortium and has been duly authorised to submit the EOI along with all the documents to be submitted pursuant to the EOI (“Representative”).
8. The Representative is vested with the requisite power and authority to furnish this letter and Form A and authenticate the same.
9. [We agree to form an investment vehicle (SPV), prior to entering into the Definitive Agreements. The shareholding of the Consortium SPV shall be the same as the shareholding of the Members in the Consortium on a fully diluted basis.]³
10. [We undertake that in the event we are selected as the Successful Bidder and in the event that we make the investment through a SPV, we (as the Parent of the SPV) shall also be a party to the Definitive Agreements along with the SPV and will be jointly and severally liable for the obligations of the SPV. *(applicable for the case of sole bidder only)*]

OR

We undertake that in the event we are selected as the Successful Bidder and while relying on our Parent’s Net Worth for fulfilling the financial criteria, and in the event that we make the investment through a SPV, we (as the Parent of the SPV) along with our Parent shall also be a party to the Definitive Agreements along with the SPV and we and our Parent will be jointly and severally liable for the obligations of the SPV. *(applicable for the case of sole bidder relying on Parent’s net-worth)*

OR

We undertake that in the event we are selected as the Successful Bidder and make the investment through a SPV then each Consortium Member, shall be jointly liable for obligations of the SPV and shall also be a party to the Definitive Agreements along with the SPV. The Lead Member shall, additionally, be responsible for ensuring the individual and collective commitment of each of the Consortium Members in discharging all of their respective obligations in connection with the EOI. *(applicable for the case of Consortium)*.

³ Strike out in case of Sole IB and it is not proposed to form SPV

11. We acknowledge that GOI will have rights of enforcement as against the [SPV]/[Consortium SPV] mentioned above under the Definitive Agreements and [also against the [IB/ Parent of Sole Bidder (as applicable)]/ [Consortium Members/ for breach of undertakings and representations made to the GOI under the EOI including under Annexure 5 (Consortium Agreement)]⁴
12. We undertake and confirm that in the event we become the Successful Bidder,
- a. The Lead Consortium Member shall hold at least 40% equity shareholding on a fully diluted basis in the Consortium SPV.
 - b. Any change in composition of the Consortium SPV shall be in accordance with the EOI Request.
13. We certify that neither have we or our Parent (in case net worth of Parent is being relied on) been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.
14. We further certify that in regard to matters relating to security and integrity of the country, no charge sheet has been filed by any agency of the Government of India nor have we been convicted by a Court of law, including under the provisions of the Indian Penal Code or Official Secrets Act, for any offence committed by us, our directors or any of our respective Subsidiaries, or against any of our Associate Companies or any of our Promoters, Promoter Group.
15. We further certify that no investigation by a regulatory authority is pending either against us or our Parent (in case net worth of Parent is being relied on).
16. We further confirm that we are not disqualified in terms of Point 6 (Disqualifications) of the EoI Request. In the event we are attracted by any of the disqualifications in terms of the EOI Request during the pendency of the process of Strategic Disinvestment/

Transaction, owing to change in facts or circumstances, we would intimate the Transaction Advisor of the same immediately.

17. We represent that we are not disqualified to enter into or perform our obligations in relation to the Transaction (including acting as Promoter of the company) pursuant to the applicable laws including regulations, guidelines, orders, directions or instructions of any regulatory authority (including SEBI or RBI), administrative authority or department or ministry of central or state government or any court in India.
18. We however, understand that the GOI reserves the right to decide whether or not to qualify our EOI without assigning any reason whatsoever and without any liability.
19. We represent that the loans availed by us or by our Parent, have not been classified as 'non-performing asset' or such equivalent classification by either banks or financial institutions.
20. We represent that we or our Promoters or Promoter Groups or our directors are not debarred from accessing or operating in the capital markets.
21. We represent that we or our Promoters or Promoter Groups or our directors not appearing in the RBI list of wilful defaulters or any such competent authority in their respective jurisdiction.
22. We represent that we are not erstwhile Overseas Corporate Bodies which are incorporated outside India and are under the adverse notice of RBI.
23. We represent that we are not prohibited or restricted from investing in NINL under FEMA, 1999.
24. We shall keep this EOI valid till submission of financial bid or such other time as may be notified by the GOI/ Transaction Advisor.
25. [Form A as per formats given in Annexure of the PIM, duly signed by us is enclosed along with the stamped and notarized/ apostle/legalized Power of Attorney

OR

The Form A, duly signed by representative members who jointly satisfy the eligibility criteria are enclosed along with the certified true copy of the Consortium Agreement

between the consortium members as per formats given in Annexure of the PIM. Further, the stamped and notarized/ apostle/legalized Power of Attorney is also enclosed.]

26. [We certify that our Net worth as on ____ (date in dd/mm/yyyy) as per specifications in the Eligibility Criteria section of the PIM is Rs ____ Crore]. OR [We certify that in terms of the EOI Request, we fulfil the Net worth criteria through our Parent namely [insert name of the parent entity] whose Net worth as on _____ (date in dd/mm/yyyy) is Rs ____ Crore].

OR

We certify that as per specifications in the Eligibility Criteria section of the PIM, Net worth for the Consortium and its Members is as below:⁵

- a. Net worth of [●] is Rs. ____ crore as on ____ (date in dd/mm/yyyy);
- b. Net worth of [●] is Rs. ____ crore as on ____ (date in dd/mm/yyyy);
- c. Net worth of [●] is Rs. ____ crore as on ____ (date in dd/mm/yyyy); and
- d. Net worth of [●] is Rs. ____ crore as on ____ (date in dd/mm/yyyy);

Combined Net worth of the consortium is Rs ____ Crore.]⁶

27. We shall be glad to receive further communication on the subject.

(In case of entities having PAN and TAN registration in India)

Our PAN number is _____. [insert PAN of IB/ Lead Member]

Our TAN number is _____. [insert TAN of IB/ Lead Member]

(In case of entities not having PAN and TAN registration in India) [following details of the IB/ Lead Member to be provided]

- Name, Email-ID, contact number
- Address in the country of residence

⁶ Strike out whichever is not applicable

- Country of tax residency
- Tax Identification Number (“TIN”) in the country of residence; if no TIN is being issued, any other unique identification number issued by the government of such country.

#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).

Thank you.

Yours sincerely,

For and on behalf of: [name of the Interested Bidder/ Lead Member]

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Enclosures:

1. Demand Draft for Non-refundable Fee
2. Form A
3. General Power of Attorney
4. Power of Attorney in favour of lead Member [submitted by each Consortium Member]⁷
5. [Certified true Copy of the Consortium Agreement between the Consortium Members]⁸

⁷ Delete if not applicable

⁸ Delete if not applicable

6. Confidentiality Undertaking
7. Affidavit
8. Declaration on Statement of legal proceedings [submitted by each Consortium Member]⁹
9. Power of Attorney for Employee Participation¹⁰
10. Undertaking by Parent of Sole Bidder¹¹

9 Delete if not applicable

10 Delete if not applicable

11 Delete if not Applicable

Annexure 1A - Undertaking in Relation to Ultimate Beneficial Ownership

(On the letterhead of the IB/ each Consortium Member)

To,
Mr. Arun Kumar Jain
Vice President
PA&SF Group
SBI Capital Markets Ltd.
9th Floor, Jeevandeep Building
1, Middleton Street
Kolkata – 700071

**Sub: UNDERTAKING IN RESPECT OF EXPRESSION OF INTEREST FOR STRATEGIC
DISINVESTMENT OF NEELACHAL ISPAT NIGAM LIMITED**

We hereby represent and undertake that we do not have the same ultimate beneficial owner(s) as of any other IB or Consortium Member participating in the Transaction and we have not submitted more than one (1) EOI, either as a Sole Bidder or as a Consortium Member.

Note: Capitalized terms not defined shall have the same meaning ascribed to them in the Request for Expression of Interest.

Yours sincerely,

For and on behalf of: [name of the Interested Bidder/ Consortium Member]

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]



Annexure 2: Form A (forming an integral part of the EOI)

(To be submitted on letterhead (unless otherwise mentioned) of Interested Bidder/each Consortium Member/ Parent (in the event Sole Bidder fulfils the financial criteria through its Parent

A. Name of the Interested Bidder/Consortium Member _____

B. Executive Summary and Management Organization: providing brief description of the Interested Bidder (IB) and (where appropriate) of member in the consortium/ Parent on whose Networth has been relied on by the Sole Bidder, containing details like ownership structure, identity of the natural persons who are the ultimate beneficial owners, the Place of Effective Management of business of the IB/ Parent of Sole Bidder /Consortium Member (“Place of Effective Management” means the place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made), (as per Central Board of Direct Taxes Guideline F. No. 142/11/2015-TPL dated January 24, 2017)etc. write up on business history and growth, business areas / activities, respective revenue details, the Place of Effective Management of business of the IB/ Parent of Sole Bidder /Consortium Member etc. It shall include a brief commentary on the capability of the IB/ Parent of Sole Bidder /Consortium Member, as demonstrated, inter alia, in its past track record, to run its own business.

Also, an overview of IB’s/ Parent of Sole Bidder /Consortium Member’s senior management and organization structure certified by the company secretary/ any other officer in charge of secretarial/legal affairs.

C. Contact Information of the IB/ Parent of Sole Bidder /Consortium Member:

- 1) Following details of IB/ Parent of Sole Bidder /Consortium Member including phone number and facsimile number
 - a) Registered Office – Address, phone number, facsimile number
 - b) Head Office – Address, phone number, facsimile number
- 2) If Consortium, name of the Lead Consortium Member:
- 3) Address for correspondence along with email address of IB/ Parent of Sole Bidder / Consortium Member.
- 4) Contact Person(s):
 - a) Name:
 - b) Designation:

- c) Phone No.:
 - d) Mobile No.:
 - e) Fax No.:
 - f) Email:
- 5) Website details of IB/ Parent of Sole Bidder /Consortium Member.

D. Basic Information:

- 1) Constitution (Tick, wherever applicable)
 - a) Public Limited Company
 - b) Private Limited Company
 - c) Limited Liability Partnership Firm
 - d) Others, if any (Please specify)
- 2) Date & Place of incorporation of IB/ Parent of Sole Bidder / Consortium Member
- 3) Date of commencement of business of IB/ Parent of Sole Bidder /Consortium Member
- 4) Role/ Interest of each Member in the Consortium (if applicable).
- 5) Nature of business carried out/ products dealt with by the IB/ Parent of Sole Bidder / Consortium Member and a profile containing information on the IB's/ Parent of Sole Bidder /Consortium Member's operations.
- 6) Certified true copies of the following documents to be submitted. However, if IB/ Parent of Sole Bidder /Consortium Member cannot submit any of the following documents, it shall state reasons for the same as per the format below:

Documents	Submitted (Yes/ No)	If not submitted, please state reasons for the same
Certificate of Incorporation		
Memorandum of Association		
Articles of Association		
Certificate of Commencement of Business		
Charter Documents		

Other Constitution Documents, i.e., Partnership Deed etc., as may be applicable		
Registration Certificate for AIFs		

- 7) A certificate for list of Board of Directors and key management personnel duly signed by the respective Company Secretary or any other officer in-charge of secretarial/legal affairs of IB/ Parent of Sole Bidder /Consortium Member and also counter signed by its authorized signatory.
- 8) A certificate by an independent chartered accountant/statutory auditor/Company Secretary or any other officer in-charge of secretarial/legal affairs for the shareholding pattern of the IB/ Parent of Sole Bidder /Consortium Member.
- 9) Basis of eligibility for participation in the process (Please mention details of your eligibility) as under:
- a) A certificate duly signed by our Company Secretary/ any other officer in charge of secretarial/legal affairs, stating that we are eligible to participate in the proposed Strategic Disinvestment in terms of Clause _____ (*specific reference to the said provision may be drawn*) of our Memorandum and Articles of Association/ _____ (*insert name of Constitution Document, viz., Partnership Deed etc. as may be applicable*).
- b) Audited Financial Statements (on standalone and consolidated basis)/Annual Reports for the previous three financial years (including profit and loss statement, balance sheet and cash flow statement) (Kindly also include most recent, not older than 31st December 2019, Audited Financial Statements/Annual Report on standalone and consolidated basis).

Provided that, in the event such IB/ Parent of Sole Bidder / any Consortium Member is an unlisted entity, and does not have the audited financial statements of immediately preceding financial year, the latest available unaudited/ provisional financial statements may be given as certified by its statutory auditor; in case such entity is a listed entity, and its audited financial statements are not available for the immediately preceding financial year, the information contained in latest Quarterly Limited Review report is to be submitted. However, the audited financial statements of such entities shall be submitted, as and when prepared as per the statutory requirements and timelines of the relevant countries where it is incorporated.

All financial statements/ annual reports/net worth certificates submitted should be certified by authorised signatory.

In case the IB/ Parent of Sole Bidder /any Consortium Member cannot submit the consolidated financial statements as mentioned above, it shall specify reasons for the same.

- c) **Certificate for fulfilment of Financial Criteria:** Please provide an independent chartered accountant/statutory auditor certificate certifying Net worth for IB/ Parent of Sole Bidder /Consortium Member as specified in the Eligibility Criteria section of the PIM

The certificate for fulfilment of Financial Criteria should clearly mention the following:

- The date of Net worth calculation for which Net worth details have been submitted.
- That the Net worth calculation has been done in accordance with the stipulations under the Eligibility Criteria section of the PIM.
- In case the IB/ Parent of Sole Bidder /Consortium Member are not required to prepare consolidated financial statements as a part of statutory requirements, the same should be mentioned in the certificate (in such a case, the standalone financial statements are to be used for assessment. However, the same would be accepted only if the certificate for fulfilment of Financial Criteria clearly mentions the non-requirement for preparation of consolidated financial statements)
- The certificate should clearly mention that the issuing authority is Statutory Auditor or independent chartered accountant (as applicable), for the IB/Consortium Member
- It should clearly specify the cross holdings among Consortium Members, if any.
- The financial statements on the basis of which the Financial Criteria have been assessed correspond to accounting periods completed (each of not less than 12 months duration) and are not based on partial periods.

- 10) Provide documents such as a board or shareholders' resolution in favour of the person executing the Power of Attorney for the delegation of power on behalf of the IB/ Consortium Member.

Note: *The date of execution of board or shareholders' resolution should be prior to the date of execution of the Power of Attorney*

E. International Operations/ Joint Ventures/ Alliances:

- 1) Brief note of IB's/ Parent of Sole Bidder's / Consortium Member's/ international operations, joint ventures, alliances, (whether international or domestic), including incorporation details, registered office, nature and size of such operations, equity ownership/ effective management and control (as applicable). Such details shall be provided for only those operations which the IB considers as being material (directly or indirectly) to its business and/ or the Transaction

F. Professional Advisors:

- 1) IB/ Consortium Member to provide names and addresses 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.

G. Outstanding Litigation/ Contingent Liability:

- 1) IB/ Parent of Sole Bidder/ Consortium Member must provide with the EOI a statement of those pending litigations that, if decided against the IB/ Parent of Sole Bidder/ Consortium Member shall disqualify the IB/Consortium Member in terms of the prescribed Eligibility criteria and extant GOI instructions on disinvestment.
- 2) IB/ Parent of Sole Bidder/ Consortium Member to provide details of all contingent liabilities that, if materialised, that 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/ Parent of Sole Bidder/ Consortium Member, or other similar business combination or sale.

H. Foreign Direct Investment (FDI) Restrictions:

If the IB/ any Consortium Member is a foreign entity/ overseas corporate body, specify list of statutory approvals from the Government of India/ the Reserve Bank of India/ Department for Promotion of Industry and Internal Trade/ relevant ministry/ any other Government agency, specifying whether the same is applied for/ to be obtained/ awaited.

Yours sincerely,

For and on behalf of: (name of the Interested Bidder/ Parent of Sole Bidder /Consortium Member)

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Place:

Date:

Important Note:

- 1) Please follow the order adopted in the Format provided, while submitting the details
- 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 Format, with the words “No response given” mentioned against it, stating reasons for the same

Annexure 3: General Power of Attorney

(To be appropriately stamped on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution and To be notarized and submitted by the IB/ each Consortium Member submitting the EOI)

General Power of Attorney

To all to whom these presents shall come, We..... [name of the IB] having our registered office/principal office at _____ [address of the registered office/principal office] do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at, who is presently employed with [us/ the Lead Member of our Consortium]¹² and holding the position of, as our true and lawful attorney (hereinafter referred to as the “Attorney”) to do in our name and on our behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application

OR

I, son/daughter/wife of and presently residing at being presently employed with Neelachal Ispat Nigam Limited (NINL) having employee code [●]/ being whole-time director on the Board of NINL having DIN No. [●], do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms., son/daughter/wife of and presently residing at, who is presently employed with [●] . I, [●] , do hereby irrevocably nominate, constitute and appoint, as my true and lawful attorney (hereinafter referred to as the “Attorney”) to do in my name and on my behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application]¹³

for the **proposed strategic disinvestment of 93.71% equity stake in Neelachal Ispat Nigam Limited**, including but not limited to signing and submission of all applications, EOIs, response to Request for Proposal (RFP), affidavits, Bid (“Non-Financial and Financial”), and other documents and writings, participating in conferences, if any, and providing information/ responses to GOI/ Transaction Advisor, representing us in all matters before GOI/ Transaction Advisor and generally dealing with GOI/ Transaction Advisor in all matters in connection with or relating to or arising

¹²Strike out whichever is not applicable

¹³Strike out whichever is not applicable

out of our application for qualification for the Transaction (as defined in the Preliminary Information Memorandum dated [●] issued by Transaction Advisor).

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

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

All the terms used herein but not defined shall have the meaning ascribed to such terms in the EOI Request dated [●].

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

.....

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

(Signature, Name, Designation and Address of the Attorney)

[To be duly notarized]



[To affix common seal, if applicable]

Notes:

- 1) The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The Power of Attorney shall be appropriately stamped and notarized.
- 2) Wherever required, the 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 of power hereunder on behalf of the Interested Bidder.
- 3) For a Power of Attorney executed and issued overseas, the document will also have to be legalized using a different procedure as per applicable law.
- 4) The date of execution of Power of Attorney shall be before the date of execution of other documents as part of EOI.
- 5) In case of a consortium, all the Consortium Members are required to submit the Power of Attorney

Annexure 4: Power of Attorney in favour of Lead Member

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

Whereas the Government of India (“GOI”) has invited EOIs from Interested Bidders for the strategic disinvestment of 93.71% of the equity share capital of Neelachal Ispat Nigam Limited (the “Transaction”).

Whereas, _____ (Lead Member/Member-1), _____ (Member-2), _____ (Member-3) and _____ (Member-4) (collectively the “Consortium”) being Consortium Members are interested in bidding for the Transaction in accordance with the terms and conditions of the PIM and other connected documents in respect of the Transaction, and

Whereas the members to record their understanding to participate in the bidding with have entered into the Consortium Agreement dated _____, and Whereas, it is necessary for the Consortium Members to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s EOI or Bid (“Non-Financial and Financial”) for the Transaction and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We (hereinafter collectively referred to as the “Principals”),

- a. M/s _____, having our registered office/principal office at _____;
- b. M/s _____, having our registered office/principal office at _____;
- c. M/s _____, having our registered office/principal office at _____;
- d. M/s _____, having our registered office/principal office at _____;

,do hereby irrevocably designate, nominate, constitute, appoint and authorize M/S _____, being one of the Consortium Members, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the “Attorney”). We hereby irrevocably authorize the Attorney (with power to sub-delegate):

- 1) To conduct all business for and on behalf of the Consortium and any one of us during the process of this Transaction
- 2) In the event the Consortium is selected as Successful Bidder, during the execution of the Transaction and in this regard, to do on our behalf and on behalf of the Consortium, all or

any of such acts, deeds or things as are necessary or required or incidental to the qualification of the Consortium and submission of its EOI for the Transaction

- 3) Further, do any of such acts, deeds or things on our behalf including but not limited to signing and submission of all applications, EOI, response to Request for Proposal (RFP), affidavits, Bid in response to RFP and other documents and writings, participate in pre-bid and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the Bid of the Consortium and
- 4) Generally to represent the Consortium in all its dealings with GOI, TA, Promoters of NINL and/ or any other GOI Agency or any person, in all matters in connection with or relating to or arising out of the Consortium’s EOI or Bid for the Transaction and/or upon award thereof till the completion of the Transaction.

AND hereby agree to ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

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

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____, DAY OF [●], 20[●],

Executants:

For _____, (Signature) _____

(Name & Title)

For _____, (Signature) _____

(Name & Title)

For _____, (Signature) _____

(Name & Title)

Witnesses:



1

2

(Notarized)

Important Instructions:

- 1) The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The Power of Attorney shall be duly notarized and stamped.
- 2) For a Power of Attorney executed and issued overseas, the document will also have to be legalized using a different procedure as per applicable law.
- 3) The date of execution of Power of Attorney for Lead Consortium Member shall be subsequent to the date of execution of General Power of Attorney (Annexure 3) by the Consortium members.

Annexure 5: Format for Consortium Agreement (In case IB is a Consortium)**(To be appropriately stamped and notarized)****(To be submitted by the lead Consortium Member on behalf of itself and the Consortium members submitting the EOI)**

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

1. M/s [insert name of Lead Member] _____
[a limited liability partnership OR company] incorporated under the laws of _____ and having its [Registered Office OR Principal Place of Business] at _____, having CIN / LLPIN/ registration/incorporation number (if applicable) _____ (hereinafter called the "**Member-1**", which expression shall include its successors, executors and permitted assigns);
2. M/s _____ [a limited liability partnership OR company] incorporated under the laws of _____ and having its [Registered Office OR Principal Place of Business] at _____, having CIN / LLPIN/ registration/incorporation number (if applicable) _____ (hereinafter called the "**Member-2**", which expression shall include its successors, executors and permitted assigns);
3. M/s _____ [a limited liability partnership OR company] incorporated under the laws of _____ and having its [Registered Office OR Principal Place of Business] at _____, having CIN / LLPIN/ registration/incorporation number (if applicable) _____ (hereinafter called the "**Member-3**", which expression shall include its successors, executors and permitted assigns);
4. M/s _____ [a limited liability partnership OR company] incorporated under the laws of _____ and having its [Registered Office OR Principal Place of Business] at _____, having CIN / LLPIN/ registration/incorporation number (if applicable) _____ (hereinafter called the "**Member-4**", which expression shall include its successors, executors and permitted assigns); and

for the purpose of submitting response to Advertisement dated [●] inviting Expression of Interest for strategic disinvestment of 93.71% equity stake in Neelachal Ispat Nigam Limited (“NINL” or “Company”) along with transfer of management control.

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

WHEREAS the Instructions for submitting EOI as per EOI Request stipulates that in case EOI is being submitted by a Consortium of Interested Bidders, the Consortium Members will have to submit a legally enforceable Consortium Agreement in a format specified by GOI.

Capitalised terms used in this Agreement but not defined herein shall have the meaning as per EOI Request.

NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:

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

1. We, the Consortium Members and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s _____), **holding at least 40% shareholding (i.e. equity share capital and shareholding on a fully diluted basis)** shall act as the Lead Member as defined in the EOI Request for self and agent for and on behalf of Member-2, _____, Member-3, _____, and Member-4, _____ and to submit the EOI;
2. We have formed consortium comprising ____ members as follows:
 1. _____(Insert name)/%stake in the Consortium i.e. holding [●]%of the equity share capital of the Consortium SPV, on a fully diluted basis;
 2. _____(Insert name)/%stake in the Consortium i.e. holding [●]%of the equity share capital of the Consortium SPV, on a fully diluted basis;
 3. _____(Insert name)/%stake in the Consortium i.e. holding [●]%of the equity share capital of the Consortium SPV, on a fully diluted basis;
3. We undertake that after the submission of the EoI, the composition of the Consortium shall be maintained for a period as specified in the RFP, if it is shortlisted as the Successful Bidder.
4. The Lead Member is hereby authorized by the Members of the Consortium and Members to the Agreement to bind the Consortium and receive instructions for and on their behalf.

5. The Lead Consortium Member shall hold at least 40% equity shareholding on a fully diluted basis in the Consortium SPV.
6. We understand and acknowledge that if the Consortium is the successful bidder it will have to do the acquisition of the GoI's stake in the Strategic Disinvestment through a special purpose vehicle ("Consortium SPV"). We undertake to incorporate the Consortium SPV after the submission of our EoI and prior to entering into the definitive agreements, including the share purchase agreement, in connection therewith.
7. It is clarified that in case the Consortium forms the Consortium SPV as an LLP/partnership and not a company, such participation shall be construed to mean partnership interest in the partnership.
8. The Members of the Consortium shall be jointly responsible and liable for the Consortium to fulfil all of its obligations relating to the EOI including inter alia the RFP and Definitive Agreement(s) entered into by Consortium of Consortium SPV. The Lead Member shall, irrespective of its financial commitment to the Consortium, additionally be severally responsible for ensuring the individual and collective commitment of each of the members of the Consortium in discharging all of their respective obligations in connection with the EOI and any other documents related to Transaction such as RFP, Definitive Agreement(s) and Lead Member shall be liable for consequences of breach of the aforesaid documents by the members of Consortium.
9. The Lead Member, on behalf of the Consortium, shall *inter alia* be responsible for liaising with any authority or persons as required and to do all acts necessary for and on behalf of the Consortium.
10. Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Consortium Members under this Agreement.
11. This Agreement shall come into effect on the day first above written, and shall remain valid until the Consortium has any unfulfilled obligation. In the event however the Consortium is the successful bidder and the Consortium SPV signs the Definitive Agreement(s) this Agreement will be valid for so long as the Consortium SPV has any unfulfilled obligations under such agreements.

12. This Agreement shall be construed and interpreted in accordance with the laws of India and courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto and arising there-under.
13. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in the EoI.
14. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under the EoI except with prior written consent of Government of India (GoI).
15. We acknowledge that we have read and understood the Preliminary Information Memorandum and the EOI Request and will abide by all the terms and conditions mentioned therein. We will also always abide by the terms of the RFP and any other document applicable to us, issued by GoI. In case of any inconsistency between this Agreement and aforesaid documents, the terms of the aforesaid documents will apply.
16. This Agreement:
- (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
 - (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and
 - (iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of GoI.

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

<p>Witnessed by:</p> <p>Signature:</p>	<p>FOR [<i>Insert name of Member-1</i>]</p> <p>_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by</p>
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Name: Address:	such partners as authorized by the partnership deed governing such partnership dated [●]/any similar authorization)
Witnessed by: Signature: Name: Address:	FOR [Insert name of Member-2] _____(Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●]/any similar authorization)
Witnessed by: Signature: Name: Address:	FOR [Insert name of Member-3] _____(Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●]/any similar authorization)

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

[To affix common seal, if applicable]

Important Instructions:

For a Consortium Agreement executed and issued overseas, the document will also have to be legalized using a different procedure as per applicable law. The document shall also be duly stamped and notarized.



Annexure 6: Draft Confidentiality Undertaking

(To be appropriately stamped and notarized and submitted by the IB/ each Consortium Member seeking VDR access and / or submitting the EOI)

DEED OF CONFIDENTIALITY UNDERTAKING

This DEED OF CONFIDENTIALITY UNDERTAKING ("Undertaking") is made on this day of, 2021.

BY

M/s _____ [insert name of Interested Bidder/ Lead Member] a [limited liability partnership OR company] incorporated under the laws of _____ [insert name of the country] and having its [Registered Office OR Principal Place of Business] at _____ (hereinafter called the [**"Interested Bidder"** OR **"Lead Member"**]¹⁴, which expression shall include its successors, executors and permitted assigns);

[AND

M/s _____ [insert name of Consortium Member] a [limited liability partnership OR company] incorporated under the laws of _____ [insert name of the country] and having its [Registered Office OR Principal Place of Business] at _____ (hereinafter called **"Member-2"**, which expression shall include its successors, executors and permitted assigns);

AND

M/s _____ [insert name of Consortium Member] a [limited liability partnership OR company] incorporated under the laws of _____ [insert name of the country] and having its [Registered Office OR Principal Place of Business] at _____ (hereinafter called **"Member-3"**, which expression shall include its successors, executors and permitted assigns);

_____ ¹⁴Delete whichever is not applicable



AND

M/s _____ [insert name of Consortium Member] a [limited liability partnership OR company] incorporated under the laws of _____ [insert name of the country] and having its [Registered Office OR Principal Place of Business] at (hereinafter called "**Member-4**", which expression shall include its successors, executors and permitted assigns);

The Lead Member, Member-2 , Member-3 and Member -4 shall be collectively referred to as **Interested Bidder**]¹⁵

OR

[The permanent employees of NINL, as listed in the table below:

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN and TAN

(herein after called "**Employees**", which expression shall include its successors, executors and permitted assigns);

AND

M/s _____ [insert name of bank/ FI/ VC Fund] a [bank/ FI/ VC Fund] incorporated under the laws of _____ [insert name of the country] and having its [Registered Office OR Principal Place of Business] at (hereinafter called "**Employee Consortium Member**", which expression shall include its successors, executors and permitted assigns);

The Employees and Employee Consortium Member, shall be collectively referred to as **Interested Bidder**]¹⁶

¹⁵Delete if IB is not a Consortium

¹⁶Delete if IB is not a group of Employees/ Employee Consortium

IN FAVOUR OF:

The Joint Secretary, Ministry of Commerce & Industry, (the “**Administrative Ministry**”);

AND

Neelachal Ispat Nigam Limited (NINL), a company incorporated under the Companies Act, 1956, bearing corporate identification number (CIN) U27109OR1982GOI001050, having its registered office at 1st Floor, Annexe Bldg, IPICOL House, Janpath, Bhubaneswar – 751 022, Odisha (“**NINL**” or the “**Company**”).

AND

SBI Capital Markets Limited, whose registered office is at 202, Maker Tower ‘E’, Cuffe Parade, Mumbai 400 005, India (hereafter referred to as the “**Transaction Advisor**”).

WHEREAS:

- A. The Interested Bidder has submitted an Expression of Interest for participation in the strategic disinvestment of 93.71% equity stake of Neelachal Ispat Nigam Limited (“**NINL**” or “**Company**”) along with the transfer of management and Control (the “**Transaction**”)
- B. In the context of the IB’s interest in the Transaction, the Disclosing Party (as defined hereinafter) may disclose Confidential Information (as defined hereinafter) to the Receiving Party (as defined hereinafter) to enable the IB to evaluate the Transaction.

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

1. Capitalised terms and expressions used but not defined in this Undertaking shall have the same meaning ascribed thereto in the EOI Request. The following capitalized expressions used in this Undertaking (including the recitals) shall have the meaning assigned to them hereunder:
 - 1.1. “**Advisors**” means, collectively, SBI Capital Markets Limited, Adroit Technical Services Private Limited and M/s L&L Partners
 - 1.2. “**Confidential Information**” means and includes any and all facts, knowledge, information, documents and materials whether written or oral, obtained or received in the process of the Transaction from the Disclosing Party and/or any other person,

including as part of due diligence process, information shared in VDR or otherwise and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

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

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

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

- 1.3. "**Disclosing Party**" means the Advisors, the Company, the Administrative Ministry, the GOI, other Governmental Authority and/or their respective Representatives, whether jointly or severally.
- 1.4. "**Governmental Authority**" means any governmental or regulatory authority, government ministry or department in India or other rule or regulation making entity having jurisdiction or acting on behalf of the Republic of India or any political subdivision thereof.
- 1.5. "**Person**" means any individual, company (including the Company and the Advisors), firm, association, trust, or any other organization or entity (including the Government and any governmental or political subdivision, ministry, department or agency thereof)
- 1.6. "**Receiving Party**" means the Interested Bidder and its/ their Representatives, whether jointly or severally.
- 1.7. "**Representative(s)**" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this Transaction or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

2. The Confidential Information disclosed by the Disclosing Party or any other person in connection with the Transaction to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and the Receiving Party shall not, without the Company's as well as the Government's prior written consent issued by its authorized personnel, or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not it wishes to proceed with the Transaction and not for any purpose other than the Transaction. The Receiving Party will not directly or indirectly use the Confidential Information for any other purpose or in any other manner whatsoever and shall particularly ensure that the interests of the Company / GOI/ Advisors are not adversely affected in any manner whatsoever.
4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the Interested Bidder's execution of this Undertaking, the Interested Bidder, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The Interested Bidder agrees (a) to disclose Confidential Information only to Consortium Members and/or those of its Representatives who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Interested Bidder or Representative of the Interested Bidder will be informed and advised in writing by the Interested Bidder of the confidential nature of such information and the contents of and the obligations under this Undertaking and (b) to satisfy itself that each such Consortium Member and/or Representative of the Interested Bidder will hold and treat the Confidential Information in confidence and act in accordance therewith. The Interested Bidder agrees that the Confidential Information shall not, without the Company's as well as the Government's prior written consent, be disclosed by the Interested Bidder and/or its/ their Representatives in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the Interested Bidder or its Representative other than in connection with an evaluation of the Transaction.

The Interested Bidder recognises and acknowledges the competitive value and confidential nature of the Confidential Information and the possible resultant impact to the Company and the Government if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The

Interested Bidder acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The Interested Bidder, before disclosing any of the Confidential Information to any shareholder/ member/ partner/ Representative of the Interested Bidder, or any shareholder/ member/ partner/ Representative of a Consortium Member(s), as the case may be, shall ensure that such shareholder/member/ partner/ Representative of the Interested Bidder or Consortium Member(s), as the case may be, has already executed and furnished to the Advisors, a written undertaking identical in form and content as this Undertaking in favour of the Government, the Company and the Advisors within 7 (seven) days of it becoming a Consortium Member.

Notwithstanding any agreement or undertaking, the Interested Bidder agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any of the shareholders/ members/ partners/ Representative of the Interested Bidder and shareholder/ members/ partners/ Representative of a Consortium Member(s), as the case may be, and shall indemnify and hold the Government, the Company, and the Advisors harmless (including provisions of clause 6 and 15 set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom.

[In case the Interested Bidder is a Consortium, it agrees that for the purpose of this Undertaking, its liability shall be joint and several with each of the Consortium Members.]¹⁷

5. Except as permitted by Clause 4 herein and except as expressly permitted by the Definitive Agreements, entered into by the Interested Bidder, and/or any company formed and promoted by them for the acquisition of NINL, the Receiving Party will not directly or indirectly disclose to any Person (including another prospective purchaser who has been provided Confidential Information) the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party have inspected any portion of the Confidential Information, or that the Receiving Party had discussion or negotiation in relation to the Transaction. Except with the prior written consent of the Company and the Government, and except as expressly permitted by such definitive share purchase agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.

¹⁷Delete, if IB is not a Consortium

6. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable law, and the Interested Bidder hereby jointly and severally indemnifies and agrees to hold the Advisors, the Government and the Company indemnified and harmless (without prejudice to Clause 15 set forth below) against all and any consequences arising from any violation by the Receiving Party of such applicable laws.
7. If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Governmental Authority and/or regulatory body (including any self-regulated organisation in India or overseas) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Advisors, the Government and the Company with prompt written notice of such request so that the Advisors, the Government or the Company may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the Interested Bidder's legal counsel (reasonably acceptable to the Advisors, the Government and the Company), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
8. The confidentiality obligations contained in this Undertaking may, at the discretion of the Government, the Company and the Advisors, be amended, modified or superseded upon the Interested Bidder and/or any company formed and promoted by them for executing Definitive Agreements, but shall be without prejudice to any of the Advisors', the Government's or the Company's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.

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

9. The Government and/or the Company may elect at any time to terminate further access by the Receiving Party to any Confidential Information required by the Interested Bidder in connection with its evaluation of the Transaction. After any such termination by the

Government and/or the Company as specified in Clause 8 above, or after the decision of the Interested Bidder to not proceed with the Transaction, the Interested Bidder:

- (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies and summaries thereof in the possession or under the control of the Receiving Party, and
- (b) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material.

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

10. The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of the Government or the Company regarding the business, operations, prospects or finances of the Company or the Plant, without the Advisors' prior written consent. It is understood that the Advisors will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Advisors in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Advisors. However, if the Receiving Party is called upon by the Government and/or the Company for any discussions, the Receiving Party will do so or meet the Government and/or the Company only after duly informing the Advisors in writing.
11. The Government and/or the Company reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without limiting the preceding sentence, nothing in this Undertaking (i) requires either the Interested Bidder or the Government to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisors, the Government or the Company to enter into an agreement or an understanding, or prohibits the Advisors, the Government or the Company from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.

12. In the event that the Receiving Party is not declared as the Successful Bidder, it shall not, directly or indirectly, solicit for employment or hire any employee of the Company for a period of 1 year from the date of this Undertaking or till six months from the completion of the Transaction, whichever is later.
13. The Interested Bidder understands, acknowledges and agrees that the Government, the Advisors and the Company retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the Interested Bidder's use of the Confidential Information. The Interested Bidder also agrees that if it determines to proceed with the Transaction, its determination will be solely based on the terms of the Definitive Agreements as well as on its own investigation, analysis and assessment of its investment. Moreover, unless and until such agreements are entered into, neither the Government nor the Interested Bidder will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed Definitive Agreement.
14. The Interested Bidder hereby indemnifies and agrees to hold the Advisors, the Government and the Company indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the Interested Bidder also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, the Government or the Company will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisors, the Government and/or the Company.
15. The Interested Bidder understands, acknowledges, confirms and agrees that each of the Government, the Company and the Advisors are beneficiaries under this Undertaking. The

Interested Bidder further agrees and confirms that each of the Government, the Company and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.

16. The Receiving Party agrees that in case the Interested Bidder or any Consortium Member decides not to proceed with the Transaction or if the GOI/ Advisors notify the Interested Bidder or any Consortium Member that the GOI does not wish the IB or any such Consortium Member to consider the Transaction any further, the terms of the Undertaking shall survive on even subsequent to the date of receipt of notification of such decision by the relevant party.
17. The Interested Bidder agrees that no failure or delay by the Advisors/the Government / the Company in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
18. The terms of this Undertaking may be varied only with the Company's and the Government's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
19. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
20. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered airmail, postage prepaid, or by cable or facsimiles as follows.

If the notice is to the Transaction Advisor:

Mr. Arun Kumar Jain
Vice President
PA&SF Group
SBI Capital Markets Ltd.
9th Floor, Jeevandeep Building
1, Middleton Street
Kolkata – 700071

If the notice is to the Interested Bidder:

IB/ Lead Member	[Member-2	Member-3] ¹⁸
[•]	[•]	[•]

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

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

Witnessed by: Signature: Name: Address:	FOR [Insert name of the Bidder/Lead Member] _____(Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [•]/any similar authorization)
Witnessed by: Signature: Name: Address:	[FOR [Insert name of Member-2] _____(Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [•]/any similar authorization)
Witnessed by:	FOR [Insert name of Member-3] ¹⁹

¹⁸Delete if not applicable

¹⁹Delete if not applicable

Signature: Name: Address:	_____(Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●]/any similar authorization)]
Witnessed by: Signature: Name: Address:	FOR [Insert name of Member-4] ²⁰ _____(Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●]/any similar authorization)]

Important Instructions:

- 1) *For a Confidentiality Undertaking executed and issued overseas, the document will also have to be legalized using a different procedure as per applicable law*
- 2) *In case of a consortium, all the Consortium Members are required to submit the Confidentiality Undertaking.*

²⁰Delete if not applicable

Annexure 7: Format of Affidavit

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

AFFIDAVIT

I, [name] aged [age] years, resident of [address] working as [designation] an Authorised Signatory on behalf of [name of the Interested Bidder/ Parent of Sole Bidder /Lead Consortium Member] hereby state as under:

1. I am the [designation of the deponent] of the [name of the Interested Bidder/ Parent of Sole Bidder /Lead Consortium Member]. I am conversant with the facts and circumstances surrounding the subject of this affidavit [and have been authorised to depose to the same pursuant to the power of attorney dated [date] issued pursuant to [particulars of corporate approval]]. I am filing this affidavit to place on record verification of facts and documents in connection with the bidding process concerning strategic disinvestment of Neelachal Ispat Nigam Limited (NINL).
2. I state that I have reviewed the contents of the PIM and EoI and the requirements of each of them in relation to the strategic disinvestment of Neelachal Ispat Nigam Limited (NINL) and also the terms and conditions thereof.
3. I state that all documents and information submitted with the EoI of [insert name of the IB] has been personally verified and has also been verified by the concerned authority within [insert name of the IB/ Parent of Sole Bidder /Consortium Member].
4. [Insert separate paragraphs for each information/ document physically submitted with the Transaction Advisor, in a chronological sequence].
5. [If applicable, _____].
6. I state that each of the documents submitted is true, correct and complete in all respects and that nothing has been concealed in the information submitted as mentioned above.
7. I understand that in case of any untrue, incomplete or incorrect information is submitted, the EoI/Bid submitted by [insert name of the IB] shall be liable to be disqualified.

8. I state that, in the event [insert name of the IB/ Parent of Sole Bidder /Consortium Member] are attracted by any of the disqualifications or any other factor which makes us ineligible in terms of the PIM during the pendency of the process of Strategic Disinvestment.
9. I state that, in the event of any change in the information or documents submitted by [insert name of the IB/ Parent of Sole Bidder /Consortium Member], we the [insert name of the IB/ Parent of Sole Bidder /Consortium Member] shall immediately notify the Transaction Advisor along with the copy of all the relevant documents.
10. This Affidavit has been provided by me and on behalf of [insert name of the IB/ Parent of Sole Bidder /Consortium Member] for the purpose of confirming the correctness, completeness and validity of all documents and information submitted by [insert name of the IB/ Parent of Sole Bidder /Consortium Member] in relation to strategic disinvestment of Neelachal Ispat Nigam Limited (NINL).

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

(Signature)

Name, Designation & Address

VERIFICATION

I, [name], [the [designation of the deponent] of] the [insert name of the IB/ Parent of Sole Bidder /Consortium Member] above named, having my office at [address], do hereby solemnly declare that what is stated above is on the basis of the books and records of the [insert name of the IB/ Parent of Sole Bidder /Consortium Member], and verify that the contents of the above affidavit are true and correct, no part of it is false and nothing material has been concealed therefrom.



Verified at [day] day of [month] [year] at [place].

Deponent

(Signature)

[particulars of notarisation]

Name, Designation & Address

Annexure 8: Declaration in relation to Statement of Legal Proceedings

(To be forwarded on the letterhead of the IB /each Consortium Member submitting the EOI)

DECLARATION

1. We solemnly declare that neither we or our Parent (in the event net worth of the Parent is relied upon) are convicted by any court of law or are indicted or have received any adverse order from regulatory authority relating to a grave offence with regard to matters other than the security and integrity of the country. Neither have we been convicted by any Court of law, indicted, nor has any adverse order been passed against us by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which related to a grave offence that outrages the moral sense of the community.

The term “**Grave Offence**” shall have the same meaning as set forth in the Office Memorandum dated September 28, 2017 on “**Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment**”.

2. We further declare that in regard to matters relating to security and integrity of the country, no charge sheet has been filed against us, our directors, or respective Subsidiaries, Associate Companies or any of our Promoters, Promoter Group by any agency of the Government of India or convicted by a Court of law.
3. We further declare that no investigation by a regulatory authority is pending either against us or our Parent (in case of reliance on net worth of the Parent).
4. We further declare that no legal proceedings by or against the IB/ Parent of Sole Bidder (in case of reliance on net worth of Parent by the Sole Bidder) /Consortium Member / their respective Subsidiary and Associate Companies thereof by or against NINL or its directors in capacity as directors of NINL, have been initiated or is in existence, which proceeding may be prejudiced by the participation of the IB in the selection process or the Transaction.
5. We declare that complete information as required is provided in the EOI and Request for Qualification and Statement of Legal Capacity.
6. We comply with the Office Memorandum No. 3/9/2016-DD-II-B Dated: 28th September, 2017, (refer Annexure [12]), as amended from time to time.

Yours sincerely,

For and on behalf of: [name of the Interested Bidder/ Consortium Member]

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

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

Annexure 9: Advertisement**GOVERNMENT OF INDIA
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT**

GLOBAL INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSED STRATEGIC DISINVESTMENT OF SHAREHOLDING OF MINERALS & METALS TRADING CORPORATION LIMITED (MMTC) (49.78%), NATIONAL MINERAL DEVELOPMENT CORPORATION (NMDC) (10.10%), MECON (0.68%) AND BHEL (0.68%) AND TWO GOVERNMENT OF ODISHA STATE PSUS NAMEDLY INDUSTRIAL PROMOTION & INVESTMENT CORPORATION OF ODISHA LIMITED (IPICOL) (12%) AND ODISHA MINING CORPORATION LIMITED (OMC) (20.47%) IN NEELACHAL ISPAT NIGAM LIMITED ALONG WITH TRANSFER OF MANAGEMENT AND CONTROL

Expression of Interests (EOIs) are hereby invited from Interested Bidders (IBs) for purchase of entire shareholding of Minerals & Metals Trading Corporation Limited (MMTC) (49.78%), National Mineral Development Corporation (NMDC) (10.10%), MECON (0.68%) and BHEL (0.68%) and two Government of Odisha State PSUs namely Industrial Promotion & Investment Corporation of Odisha Limited (IPICOL) (12%) and Odisha Mining Corporation Limited (OMC) (20.47%) in Neelachal Ispat Nigam Limited, by way of a Strategic Disinvestment along with transfer of management and control through a single transaction.

Neelachal Ispat Nigam Limited was incorporated in 1982 to set-up an Integrated Steel Plant (1.1 MTPA) to undertake manufacturing and sale of steel products. NINL's manufacturing unit is located at Kalinganagar Industrial Complex, Duburi, Odisha.

The Strategic Disinvestment shall be completed via a two – stage process. SBI Capital Markets Limited (SBICAP) is acting as Transaction Advisor for the process. A Preliminary Information Memorandum (PIM) for the Strategic Disinvestment can be downloaded from websites of Department of Investment and Public Asset Management (DIPAM) at www.dipam.gov.in, MMTC at www.mmtclimited.com, NINL at www.ninl.in and Transaction Advisor at www.sbicaps.com. For any future information/amendments/ corrigenda, kindly refer to above websites only or contact the Transaction Advisor.

IBs who meet the eligibility criteria mentioned in the PIM, may submit their EOI in either physical form or electronic form via e-mail at the address mentioned below, on or before 5:00 PM (Indian Standard Time) of **29 March 2021**. However, IBs submitting EOI by e-mail shall also be required to submit the EOI in a physical copy in a **sealed, covering envelope** clearly marked "**Private and Confidential – Expression of Interest for the Strategic Disinvestment of NINL**" at the below mentioned address, not later than 5:00 PM (Indian Standard Time) of **5 April, 2021**.

Address for submission of EOI:

Mr. Arun Jain
Vice President, PA&SF Group
SBI Capital Markets Ltd.
9th Floor, Jeevandeep Building
1, Middleton Street
Kolkata – 700071
Phone: +91-33-23023243

E-mail for electronic submission of EOI: NINL.Dipam@sbicaps.com



Annexure 10: Guidelines for Management-Employee Bids in Strategic Sale

As per the Circular No. 4/38/2002/DD-II dated April 25, 2003 (“**Employee Guidelines**”) which is annexed as Annexure 12C, employees of Neelachal Ispat Nigam Limited (“**Employees**”) are permitted to participate in the Transaction as Interested Bidders either (a) directly and independently (“**Direct Employee Participation**”) or (b) by forming of a consortium (“**Employee Consortium**”) and subject to the following:

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

[In case of permanent employees participating as single IB :-

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN and TAN

OR

In case the permanent employees forming a Consortium with [●] [insert name of bank/ FI/ VC Fund]

a. Employees holding [●]% equity shareholding on a fully diluted basis in the Consortium; and

b. [●] holding [●]% equity shareholding on a fully diluted basis in the Consortium;

S. No.	Name of the Employee	Designation	Employee Code, if any	Residential Address	Identity proof (Adhaar No/ Passport No)	PAN and TAN

]21

²¹Strikeout whichever is not applicable

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

Power of Attorney for Employee Participation

[TO BE STAMPED ON Rs. 1000 STAMP PAPER AND NOTARIZED]

Special Power of Attorney

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

NOW KNOW YE MEN ALL AND THESE PRESENTS WITNESSETH I, [●] , do hereby irrevocably nominate, constitute and appoint ----- as my true and lawful attorney (hereinafter referred to as the “Attorney”) to do in my name and on my behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed Strategic Disinvestment of 93.71% equity shares in Neelachal Ispat Nigam Limited including but not limited to signing and submission of all applications, participate in conferences, if any and providing information/ responses to GOI/Advisor and generally dealing with GOI/Advisor/Company in all matters in connection with or relating to or arising out of our application for qualification for the Transaction (as defined in the Preliminary Information Memorandum dated [●] issued by the Transaction Advisor.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by



us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but not defined shall have the meaning ascribed to such terms in the Preliminary Information Memorandum and EOI.

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

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

.....

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

Name, Title and Address of the Attorney)

(To be duly notarized)

Important Instructions

- 1) *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized.*
- 2) *Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders’ resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*



- 3) *For a Power of Attorney executed and issued overseas, instead of notarization, the document should either carry a conforming Apostle certificate or it should be legalized by applicable procedure in respective jurisdiction, before submission. Also, the document shall be stamped by the local authority in India with appropriate stamp duty paid, before submission, in any event within the specified timeframe as per applicable laws.*
- 4) *The date of execution of Power of Attorney shall be before the date of execution of other documents as part of EOI.*

Annexure 11: Undertaking by Parent

(To be executed in the event Sole Bidder meets Financial Criteria through Parent)

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

UNDERTAKING BY PARENT OF INTERESTED SOLE BIDDER

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

BY

M/s _____ [insert name of the entity] a [limited liability partnership OR company] incorporated under the laws of _____ [insert name of the country] and having its [Registered Office OR Principal Place of Business] at _____ (hereinafter called the ["**Connected Company**"], which expression shall include its successors, executors and permitted assigns);

IN FAVOUR OF:

The Joint Secretary, Ministry of Commerce & Industry, (the "**Administrative Ministry**");

AND

Neelachal Ispat Nigam Limited (NINL), a company incorporated under the Companies Act, 1956, bearing corporate identification number U27109OR1982GOI001050, having its registered office at 1st Floor, Annexe Bldg, IPICOL House , Janpath, Bhubaneswar – 751 022, Odisha ("**NINL**" or the "**Company**").

We have read and understood the contents of the Advertisement and the Invitation for Expression of Interest dated [●] ("**EoI**") and the undertaking and documents submitted by the IB pursuant to the EoI.

We confirm that we are the Parent of [●] [insert name of IB (Sole Bidder)] who is interested in bidding for the strategic disinvestment of 93.71% of equity shares of NINL and proposes to use our network to meet the Financial Criteria stipulated in the Preliminary Information Memorandum and EOI Request dated [●].



We shall be jointly and severally liable along with the IB for any obligation of the IB (Sole Bidder) under the Definitive Agreements or any document and undertaking executed by the IB (Sole Bidder) pursuant to the EOI and Transaction or completion thereof. We will also sign / be parties to all Definitive Agreements as required;

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.

Yours sincerely,

For and on behalf of Connected Company:

Signature: (Authorised Representative and Signatory)

Name of the Person: [●]

Designation: [●]

Annexure 12: Department of Investment and Public Asset Management (DIPAM) Guidelines

Annexure 12A: Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment

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

Dated: 28th September, 2017

OFFICE MEMORANDUM

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

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

- a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment / adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. 'Grave Offence' is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government.' 'Grave Offence' would include the below noted cases:
 - a. Only those orders of SEBI are to be treated as coming under the category of 'Grave Offences' which directly relate to 'fraud' as defined in the SEBI Act and/or regulations.
 - b. Only those orders of SEBI that cast a doubt on the ability of the bidder to manage the public-sector unit, when it is disinvested, are to be treated as adverse.

- c. Any conviction by Court of Law;
- d. In cases in which SEBI also passes a prosecution order, disqualification of the bidder should arise only on conviction by the Court of Law.
- b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government / conviction by a Court of Law for an offence committed by the bidding party or its Associate Company as defined in Companies Act, 2013 would result in disqualification. The decision in regard to the relationship inter-se between the concerns would be taken, based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons.
- c) In both (a) and (b), disqualification shall continue for a period that Government deems appropriate.
- d) Any entity, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.
- f) Before disqualifying a bidder, a Show Cause Notice why it should not be disqualified would be issued to it and it would be given an opportunity to explain its position.
- g) These criteria will be prescribed in the advertisements seeking Expression of Interest (EOI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EOI). The bidders shall be required to provide with their EOI an undertaking to the effect that no investigation by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above or the eligibility criteria prescribed in the EoI, is pending against them. In case any investigation is pending in case which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above on the eligibility criteria prescribed in EoI against the bidder other concern in which the bidder has substantial interest or against its CEO or any of its Directors/ Managers, full details of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should

be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be filed along with EOI.

(-sd/-)

(Aseem Kumar Jha)

Under Secretary to the Government of India

Annexure 12B: Participation of Central Public Sector Undertakings (PSUs)/Cooperative Societies controlled by the Government in disinvestment of other PSUs.

No. 4(32)/2002-MoDI
Government of India
Ministry of Disinvestment

Block No. 14, CGO Complex,
Lodi Road, New Delhi -110003.
Dated 18th September, 2002

OFFICE MEMORANDUM

Sub: Participation of Central Public Sector Undertakings (PSUs)/Cooperative Societies controlled by the Government in disinvestment of other PSUs.

The undersigned is directed to say that the issue of participation of Central Public Sector Undertakings (PSUs) and Central Government owned Cooperative Societies in the disinvestment of other PSUs has been engaging the attention of the Government for the past some time. Government has examined this issue in the light of policy of the Government on Disinvestment.

2. After careful examination of the various issues, the Government of India has now decided that henceforth, as a general policy, Central Public Sector Undertakings and Central Government owned Cooperative Societies (i.e. where Government's ownership is 51% or more), should not be permitted to participate in the disinvestment of other PSUs as bidders. If in some specific case, any deviation from these restrictions is considered desirable in public interest, the Ministry/Department concerned may bring up an appropriate proposal for consideration of the Core Group of Secretaries on Disinvestment.

3. The Ministries/Department are requested to communicate the above decision of the Government to all the PSUs and the Cooperative Societies under their administrative control.

(T.S. Krishnamachari)

Deputy Secretary to the Government of India

Phone no. 436 8523

Fax No. 436 6524

Annexure 12C: Guidelines for Management-Employee Bids in Strategic Sale.

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

Block No. 14, CGO Complex,
Lodi Road, New Delhi -110003.
Dated: 25th April, 2003

OFFICE MEMORANDUM

Employee participation and protection of employee interests is a key concern of the disinvestment process. The practice of reserving a portion of the equity to be disinvested for allocation to employees, at concessional prices, has been adopted in a number of cases. It is necessary and expedient to evolve and lay down guidelines to encourage and facilitate management-employee participation in the strategic sales and thus to acquire controlling stakes and manage disinvested public sector undertakings. The undersigned is directed to state that Government has, therefore, decided to lay down the following guidelines for evaluating employee/management bids:-

- i. The term 'employee' will include all permanent employees of a PSU and the whole time directors on the board of the PSU. A bid submitted by employees or a body of employees will be called an "employee bid".
- ii. At least 15% of the total number of the employees in a PSU or 200 employees, whichever is lower, should participate in the bid.
- iii. An employee bid would be exempted from any minimum turn over criterion but will be required to qualify in terms of the prescribed net worth criterion. They will be required to follow the procedures prescribed for participation by Interested Parties in the process of strategic sale including, but not limited to, filing the expression of interest along with all details, as applicable to other investors, furnishing of bank guarantee for payment of the purchase price etc.
- iv. Employees can either bid directly and independently or, for the purpose of meeting the financial criteria like net worth, can form a consortium or bid through a joint venture (JV) or a special purpose vehicle (SPV), along with a bank, venture capitalist or a financial institution. However employees will not be permitted to form consortia with other companies.
- v. If the bidding entity of the employees is a consortium, JV or SPV, employees must have a controlling stake and be in control of the bidding entity.

- vi. If the bid is submitted through a consortium, JV or SPV, employees must contribute at least 10% of the financial bid.
- vii. If the employees form a consortium, the consortium partners would be prohibited from submitting individual bids independently.
- viii. If it is not the highest bid, the employee bid shall be considered only if the said bid is within 10% of the highest bid.
- ix. The employee bid shall, subject to fulfilling the conditions above, have the first option for acquiring the shares under offer provided they match the highest bid and the highest bid being equal to or more than the reserve price.
- x. If the employee bid is not the highest bid and there are more than one employee bids within the 10% band, the highest of the employee bids will have precedence for purchase at the highest bid. If such employee bidder is unwilling or unable to match the highest bid, the option will pass on to the next highest employee bid and so on till all the employee bids, within the 10% band, are exhausted.
- xi. In the event of no employee bidder, within the 10% band, being willing or able to match the highest bid, the shares under offer will be sold to the highest bidding entity.
- xii. There will be a lock in period of three (3) years for the shares disinvested by the Government.

2. All the bidders for the management-employee buy-outs will also have to satisfy the provisions of the 'Guidelines for qualification of bidders seeking to acquire stakes in Public sector Enterprise through the process of disinvestment' issued vide the then Department of Disinvestment's Office Memorandum No.6/4/2001-DD-II dated 13thJuly 2001 or as amended subsequently along with other qualification criterion as generally applicable and not specifically excluded herein.

(T.S. Krishnamachari)

Deputy Secretary to the Government of India

Tel. no. 2436 8039