



F.No.4/4/2011-DOD (Part)
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT & PUBLIC ASSET MANAGEMENT
(DIPAM)

Room No.202, 2nd Floor,
Block No.11/14, CGO Complex,
Lodhi Road, New Delhi-110 003.
Dated the 4th August, 2021

Corrigendum/Addendum No.2

Subject:- Request for Proposal (RFP) for engagement of **Legal Advisor** for 100 % Strategic Disinvestment of Rashtriya Ispat Nigam Limited (RINL) and RINL's stake in its Subsidiaries/Joint Ventures – **Corrigendum/Addendum**.

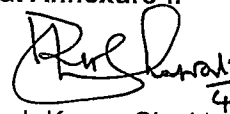
In continuation of this Department's Letter No.4/4/2011-DOD (Part) dated 07.07.2021 & 27.07.2021 pertaining to Request for Proposal (RFP) for engagement of Transaction Advisor for 100% Strategic Disinvestment of Rashtriya Ispat Nigam Limited (RINL) and RINL's stake in its Subsidiaries/Joint Ventures **published on CPP Portal on 07.07.2021 vide Tender ID No.2021_DIPAM_637452_1.**

2. The following provisions of RFP Document, based on acceptance of suggestions received in pre-bid meeting, are modified through this corrigendum/addendum notice:

Clause of / Annexure to RFP Document	Existing provision in RFP/Annexure to RFP	Corrected / modified provision
Para-4.2 of RFP Document	Part of clause "Rs.2500 Crore (Rupees Fifteen Hundred Crore)"	Part of clause may be read as "Rs.2500 Crore (Rupees Two Thousand Five Hundred Crore)"
Para-12.1 of RFP Document	The fee to the selected Bidder shall be paid in Indian Rupees after successful completion of the aforesaid transaction.	The fee to the selected bidder shall be payable in Indian Rupees on achievement of certain milestones as detailed below: (i) 20% of quoted fee after short-listing of bidders in response to Expression of Interests (EOI); (ii) 25% of quoted fee after receipt of Financial Bids from the short-listed bidders (SBs); and (iii) Remaining 55% of quoted

		fee after completion of the transaction (i.e. upon receipt of entire disinvestment proceeds in the Gol account).
Para-10.1 of RFP Document	<p>A drop-dead fee of Rs.10,00,000 (Rs. Ten lakh only) or the lump sum transaction fee quoted by the bidder for the transaction, whichever is lesser shall be payable to the appointed Advisor in case the transaction is called-off. The stages for payment of the drop dead fee shall be as under:</p> <p>a) 10%, if the transaction is called off after the issuance of the EoI/PIM</p> <p>b) 20%, if the transaction is called off after the issuance of the RFP/CIM</p> <p>c) 50%, if the transaction is called off after approval of SPA/SHA/BTA.</p> <p>d) 100%, if the transaction is called off after receiving the Financial Bids.</p>	<p>Milestone based payment system has been introduced. The Drop Dead Fee of ₹10 lakh or 20% of the quoted fee, whichever is lower shall, however, be payable to the selected adviser in case Government take a decision to abandon / call-off the transaction after the stage of issue of EOI/ PIM and before short-listing of bidders.</p>
-	Para-13 (Tenure of Contract) RFP Document (New Para inserted)	13. Tenure of Contract - The contract shall be initially valid for a period of 3 years' from the date of issue of appointment letter and shall be extendable by 1 (one) more year on the same terms and conditions.

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


4/8/2021

(Rajesh Kumar Singh)

Under Secretary to the Government of India,

Tele: 011-2436 8532

F.No.4/4/2011-DOD (Part)

CPP Tender ID: 2021_DIPAM_637452_1
 Date of Publication on CPP Portal: 07.07.2021
 Pre-bid meeting Date: 15.07.2021

RESPONSES TO THE QUERIES OF INTERESTED BIDDERS

Engagement of Legal Advisor for Strategic Disinvestment of RINL and all its subsidiaries/JV – under administrative control of Ministry of Steel”

S. No.	Content of Tender documents with ref.	Query raised by Interested Bidder	Response / clarification of DIPAM
1.	<p>Paragraph 3 (i) read with paragraph 3 (ii)</p> <p>Para 2.1</p>	<p>The vendor due diligence will be required to carried out for: (a) RINL as well as its subsidiaries and joint ventures; (b) will be limited to review of legal contracts, title of property assets/ real estate, intellectual property rights, bilateral rights, slots, leases, intangible assets, loan agreements, and contracts with employees etc. only for the aspects relevant to assist the Transaction Advisor/ Asset Valuer in determining the final equity value; and (c) the legal advisor is not expected to carry out vendor due diligence on any other aspects of RINL or its joint ventures or subsidiaries.</p> <p>(d) We understand that CCEA has given approval for 100% disinvestment of GOI shareholding in RINL alongwith RINL's stake in its subsidiaries/joint ventures. We understand from the latest Annual Report of RINL (FY 2019-2020), that RINL has 6 (six) subsidiaries/Joint Ventures. Please clarify whether disinvestment of RINL and its subsidiaries/joint ventures will be a part of the same transaction or there will be separate transactions for each subsidiary /joint venture, resulting in different transaction documents.</p>	<p>(a) & (d): No separate transaction is envisaged for the JVs/Subsidiaries. RFP is for RINL and its JVs/Subsidiaries.</p> <p>(b) &(c): RFP is clear on the issues mentioned in points 3(ii) and 3(iii).</p>

2.	paragraph 3(iii)	The legal adviser may be needed to vet disclosures relating to land titles, land and property, intellectual property rights, litigations and any other disclosures in the information memorandum. Please confirm if the legal adviser is required to carry out title due diligence and due diligence on the intellectual property rights, litigations and other aspects to verify the disclosures in the information memorandum	RFP is self explanatory on the issue.
3.	Paragraph 9 (d) of Annexure-B	<p><i>"the fee quoted should be unconditional and inclusive of all expenditure..."</i> In this context, please let us know if the members of the law firm are expected to travel outside NCR in connection with the transaction and whether the out of pocket expense related to travel/ lodging outside NCR is also supposed to be included in the fee quoted.</p> <p>Given that the Legal Advisor's Team will be required to travel to Vizag, please confirm whether actual out of pocket expenses for travel, boarding and lodging will be reimbursed.</p>	Financial bid should factor in all these expenses.
4.	-	Please let us know the expected timeline for completion of the proposed transaction.	Sunset clause has been introduced
5.	-	Please let us know if the structure for the proposed transaction has been finalised and whether any internal restructuring is contemplated as a part of the disinvestment process.	At the moment, no internal restructuring is envisaged.
6.		Please let us know as per paragraph 3 (x) of the RFP, if it is intended to formulate an ESOP Scheme for the employees of RINL and its subsidiaries and joint ventures prior to the disinvestment.	Not envisaged.
7.	-	Please let us know what will be the term/ validity period of the engagement of the legal adviser, i.e., whether there will be a sunset period for the engagement of the legal adviser.	It has been decided to introduce/insert a sunset clause in RFP. As such, the contract will be initially valid for a period of 3 years' from the date of issue of appointment letter and shall be extendable by 1 (one) more

			year on the same terms and conditions. In view of above, Para-13 has been introduced / inserted in the RFP Document.
8.	In Annexure I (Affidavit Cum Undertaking)	the definition of "Conflict of Interest", please confirm that the circumstances/ examples incorporated in sub-clause (i) –(v) should be construed to mean a "Conflict of Interest" <u>only when</u> such conflict is in respect of the proposed transaction, i.e. disinvestment of 100% of Government of India's shareholding in RINL along with RINL's stake in its joint ventures and subsidiaries	Yes.
9.	Annexure II (Confidentiality Undertaking)	that " <i>It is further certified that the <u>valuation reports</u> and other relevant documents, which are submitted by [Name of the bidder] to the Government will not be disclosed to any other agency/ person without prior permission of the Company and will be treated as strictly confidential.</i> " Given that the legal adviser will not submit the valuation report, we assume that the reference to valuation report is a typographical error and is intended to cover the documents to be submitted by the legal adviser.	The term 'Valuation reports' in the para may be ignored. But Post selection the LA will have to sign an NDA with RINL.
10.	Page 4, EMD	We understand that EMD will be returned to the unsuccessful bidder upon finalization of the contract. Please clarify, if the bid is successful, whether EMD will be returned after issuance of PBG.	Yes
11.	Para 3 (i)	Given that the Legal Adviser will be advising the Seller i.e. GOI, please clarify whether the Legal Adviser will be required to carry out title diligence of real estate/immovable properties, as this is typically done by the buyer's legal adviser.	LA need not carry out an independent assessment of the title to the immovable property. However, any document provided by RINL will have to be vetted before placing in the data room.

12.	Para 3 (iii)	We note that the Legal Advisor's scope of work will be to review the Preliminary Information Memorandum (PIM) and Confidential Information Memorandum (CIM) and the Transaction Advisor will be responsible for drafting of the same. Please clarify.	Yes
13.	Para 3 (iv)	Please clarify what is meant by RFP document in the clause referred to herein.	RFP for the short-listed bidders for the transaction in Stage-I.
14.	Para 3(v)	Please see our comment to Paragraph Number 2.1. Given that this is a 100% disinvestment, please clarify why a shareholders' agreement will be required.	Only SPA will be required
15.	Para 3 (vi)	<p>What is the specific role expected from the legal advisers in the preparation of data room? Please note that the maintenance of an online data room will require the engagement of a separate service provider. Please confirm whether the cost associated with such online data room will be borne directly by DIPAM.</p> <p>In addition, please clarify whether the physical data room will be at Vizag and if any members of the Legal Advisor team will be required to travel to Vizag.</p>	<p>RINL will engage a separate vendor to prepare the data room. However any document provided by RINL will have to be vetted by LA before placing in the data room.</p> <p>Physical data room is not envisaged at the moment but if required, LA will need to travel to Vizag and such costs should be factored in the Financial Bid.</p>
16.	3 (vii)	<p>Please confirm whether TA will be providing financial advice including tax structuring.</p> <p>Please clarify whether competition law approvals are within the scope of work. Please note that the actual scope of competition law approval cannot be determined at this stage, since the buyer has not been determined.</p> <p>Given that RINL is not a listed entity, please clarify why advise on SEBI Guidelines/Stock Exchange Listing guidelines is required.</p>	<p>Question not relevant for LA.</p> <p>In such circumstances, inputs required to be furnished from the seller side are in the scope.</p> <p>In case advice regarding one or more guidelines mentioned in the clause might be required, LA is supposed to provide the same.</p>

17.	3 (viii)	Given that this a 100% disinvestment please clarify why formation of subsidiaries/business transfer is necessary.	Point 3 (viii) of RFP is clear on this issue
18.	3 (xii)	Would this include litigation/arbitration support in relation to disinvestment while the process is ongoing?	Limited support only for drafting the counter affidavits shall be required.
19.	Para-3.1	We understand that the present scope of work is indicative in nature. Please confirm how a particular assignment (forming a part of the scope of work) would be determined and communicated to the concerned law firm? Please consider explaining that any additional services will be minor in nature.	Work related to any legal aspect of the Strategic disinvestment will be under the scope of work.
20.	Para 4.2	What is the threshold size of the transaction/ company for eligibility? In figures it is mentioned Rs.2500 Crore however in words 'fifteen hundred crores' is mentioned. Please clarify whether a demerger involving a listed entity and acquisition of demerged business will also qualify - in this situation the consideration amount for the demerger should be reckoned for the purpose of determining the value of the transaction.	May be read as 2500 Crores (Two Thousand Five Hundred Crores only) Demerger transaction is not eligible
21.	Para 8.1	Please confirm whether the presentation to IMG will be on video conference or in person.	Video Conference

22.	Para 10.1	<p>Please note that by specifying percentages, the drop-dead fee becomes extremely low – in a scenario where the LA has done substantial work around due diligence, structuring, review of PIM and CIM and drafting of the form of SPA that is to be signed (which will be annexed to the CIM), the LA will only be paid INR 2 Lakh. Please consider removing the INR 10, 00,000 threshold and changing the percentage of (d) to 75%.</p>	<p>Request for milestone based payment instead of the existing provision for making payment after completion of transaction for selected bidder as Legal Adviser has been accepted. The milestones for release of payment towards fee shall be as under:</p> <ul style="list-style-type: none"> (i) 20% of quoted fee after short-listing of bidders in response to Expression of Interests (EOI); (ii) 25% of quoted fee after receipt of Financial Bids from the short-listed bidders (SBs); and (iii) Remaining 55% of quoted fee after completion of the transaction (i.e. upon receipt of entire disinvestment proceeds in the Gol account). <p>Para-12.1 of RFP Document has been modified accordingly</p> <p>Milestone based payment system has been introduced. The Drop Dead Fee of ₹10 lakh or 20% of the quoted fee, whichever is lower shall, however, be payable to the selected adviser in case Government take a decision to abandon / call-off the transaction after the stage of issue of EOI/PIM and before short-listing of bidders.</p> <p>Para-10.1 of RFP Document has been modified accordingly</p>
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