



CONSOLIDATED LIST OF QUERIES RECEIVED FROM POTENTIAL INVESTORS

No.	Reference Section of PIM	Investor Query	Query Reply
A. PROCESS SCHEDULE:			
A1	Cl. 1.3 / Page 9	Interested Bidders (IBs) seeking extension of the EOI submission timelines	Please refer to Corrigendum-I of the PIM for details on the revised timelines
B. CONTRACTS:			
B1	Cl. 2.8 / Page 15	<p>IB has sought for clarification as to why PO extensions of contracts held by FSNL at various SAIL Plants are for 6 months only instead of previous trend of extending the same on a yearly basis.</p> <p>Further, the IB has highlighted that for the bidder to place a bid and to calculate the ROI it would be of prime importance to know whether the contracts specially at the SAIL plants would be automatically awarded to the Successful Bidder and extended by Minimum of 5 years</p>	The Company is in the process of getting its contracts extended as part of its routine course of business.
B2	Cl. 2.8 / Page 15	<ul style="list-style-type: none">No work order value is mentioned. Can the total order book value (need not be contract wise) be provided?Few work order status are shown as "Extension under process". What will be the tentative extension period? Please note that except the work order validity of SAIL Rourkella upto March'24, all other work orders are ending within March'23.Based on schedule set up for the Bidding process (Stage I and II) of strategic investment in FSNL, the IB believes there will be no time left in the ongoing contract after successful takeover, unless all the contracts are extended for minimum sustainable ramp up period of at least 3 years	<ul style="list-style-type: none">Contracts awarded to FSNL are on rate contracts basis which are pre-defined activity-wise as corresponding to the quantity which is as per the requirements of the steel plants where FSNL is providing its services for their corresponding scope. Further details shall be provided at the RFP stageThe Company is in the process of getting its contracts extended as part of its routine course of business.



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B3	Cl. 2.8 / Page 15	<ul style="list-style-type: none"> IB has sought for the status of jobs where contracts have lapsed(Bhilai& IISCO) and contracts which are about to lapse(RINL and Arcellor Mittal) Will the successful bidder get the jobs at all listed locations on single party basis? If, yes, then for how many years and what is the criteria for the same? 	<ul style="list-style-type: none"> The Company continues to provide services to Bhilai and IISCO. The Company is in the process of getting its contracts extended as part of its routine course of business.
B4	Not Available	Will FSNL provide the services performed for each contract, manpower at each location?	Location wise details for contracts and manpower will be provided during the RFP stage. IBs are instructed to refer to the PIM to understand the bid process.
B5	Cl. 2.8 / Page 15	IB states that the business transfer and its continuity shall be capital intensive given FSNL's existing huge equipment fleet wherein some may need minor repairs while some may require complete overhaul or replacement. In view of this, can the successful bidder get assurance of getting the job for at least 5 years?	The Company is in the process of getting its contracts extended as part of its routine course of business.
B6		<p>The annual report of FY 21 mentions on ongoing litigation in respect of award of work on nomination basis by SAIL to FSNL.</p> <ul style="list-style-type: none"> Please clarify on the present status of the same Further, would award on work on nomination basis continue post transfer of management control to a private party. 	<ul style="list-style-type: none"> Details with respect to the ongoing litigations will be provided during the RFP stage. IBs are instructed to refer to the PIM to understand the bid process. Post-acquisition of FSNL, it will be the prerogative of the new management and its customers to decide on the policies/terms of the contracts/business
C. EOI SUBMISSION PROCESS:			
C1	Not Applicable	Is registration with BDO India LLP required to participate in the EOI? If yes, then what is the process and details thereof?	No registration process is required. IBs are instructed to refer to the PIM to understand the bid process.
C2	Not Applicable	IB has sought for information on the procedure and approximate timeline that would be taken to complete the disinvestment process	The timelines are provided in the PIM are indicative and are subject to change as per the terms of the PIM.
C3	Cl. 7(3) Footnote	<ul style="list-style-type: none"> Can the IB submit its results in any other currency 	<ul style="list-style-type: none"> Please refer to the footnote on Page 43 of the PIM



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	/ Page 43	<p>other than USD or it needs to be either in USD or INR?</p> <ul style="list-style-type: none">• Is it necessary to produce CA certificate from Indian CA?• Whether notarisation to be done in the home country of the IB or in India?	<p>wherein it is stated as follows: <i>In case of foreign companies, corresponding financials shall be converted to Indian Rupees at the exchange rate of 1 USD= Rs. 74.58. Exchange rates are the rates reflected by the Reserve Bank of India and Financial Benchmarks India Private Limited on December 30, 2021.</i></p> <p>As stated above, other than USD, IBs may refer to the exchange rates reflected by the Reserve Bank of India and Financial Benchmarks India Private Limited for the corresponding date on their website: www.fbil.org.in.</p> <ul style="list-style-type: none">• A qualified chartered accountant or its equivalent in the respective country (with whatever name called) can issue the certification.• Any apostilled document (required to be submitted) executed outside India by IBs from their respective home countries, who are signatories to the Hague Apostille Convention, do not require any further attestation or legalisation.
C4	Cl. 3 / Page 43	<ul style="list-style-type: none">• Company B (Indian entity) is a 100% subsidiary of Company A which listed on a foreign stock exchange. In this case which corporation, whether Indian entity or the foreign entity is required to submit the EOI?• Whether Company B itself could qualify the financial criteria?• Which company details have to be provided?	<p>It is the prerogative of the IB to decide on its preferred entity for submitting the EOI. Details of the Eligibility Criteria are mentioned in Clause 7 on page 42 of the PIM. IBs are instructed to refer to the PIM to understand the bid process.</p>



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C5	Cl. 6 / Page 36	Who is required to certify the true copies of the documents asked for	Any officer who is authorised by the IBs to do so by way of a board resolution or power of attorney. Further, any document executed outside India needs to be duly apostilled / legalised, as may be applicable.
C6	Cl. 5.2(2) / Page 30	<ul style="list-style-type: none">• If the overseas IB (lead member) forms a consortium with an Indian entity, then can the Indian Consortium partner issue the DD of INR 500,000 on their behalf or do they as lead member have to issue the DD?• Could they issue two different DDs in proportion between the two consortium members?	A single Demand Draft of INR 500,000 (Rupees five hundred thousand only) towards non-refundable fee will be accepted.
C7	Cl. 5.2(2) / Page 30	IB is required to pay the Non-Refundable DD of INR 500,000 while submitting the EOI. Will this DD be refundable if the process is stopped due to legal issues raised by FSNL?	The fees paid while submitting the EOI is non-refundable. IBs are instructed to refer to the PIM and the corrigendum's issued to understand the bid process.
C8	Not Available	Can the IB withdraw their participation at RFP stage on the grounds that certain information which is not available in the EOI but available only in RFP, if they turn out to be not in favour or in line with the company's guidelines?	The IBs can withdraw their participation at the RFP stage. However, it may be noted that the amount of INR 500,000 (Rupees Five Hundred Thousand only) paid is non-refundable.
C9	Cl. 5.2(2) / Page 30	IB is required to pay a non-refundable fee of INR 500,000 by way of a demand draft. Please confirm if the fees can be paid by way of RTGS/NEFT. If yes, please provide the bank account details	IBs shall have the option of paying the fees by way of RTGS / NEFT. For details of the designated account, please refer to Corrigendum II. However, it is to be noted that IBs must ensure that the fee amount is deposited in the designated account before the expiry of the deadline. TA shall not be held responsible for any delays, including technical delays by the bank in crediting the account.
C10	Cl. 6 / Page 37	Whether there is a requirement to include details pertaining to subsidiary while submitting the details of	All such information is required to be submitted on a consolidated basis i.e., details of the subsidiaries to be



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		contingent liabilities and litigation?	included.
C11	Cl. 2.6 / Page 14 Cl. 5.1(2) / Page 30	Are there any obligations on the Successful Bidder to continue with the following: <ul style="list-style-type: none">To retain & continue with the entire manpower strength of 130 executives and 460 non-executivesContinuing with contractual manpower of 861 work forceContinuing with the subcontractors engaged by FSNL	The Successful Bidder would be required to undertake certain obligations relating to certain matters including but not limited to, employee protection, business continuity, asset stripping, lock-in of the shares acquired in the Proposed Transaction, and/or shareholding of Consortium members in the SPV. These conditions, and those relating to the respective responsibilities and liabilities of the Successful Bidder and its Consortium members (if any), shall be specified at the RFP stage.
C12	Cl. 3.5 / Page 21	Can the company be taken over without its Contingent Liabilities?	IBs are instructed to refer to the PIM to understand the bid process. Acquisition of shares is on an "as is where is" basis.
C13	Cl. 2.6 / Page 14 Cl. 5.1(2) / Page 30	Is employee protection applicable only for FSNL employees (590 numbers)?	The Successful Bidder would be required to undertake certain obligations relating to certain matters including but not limited to, employee protection, business continuity, asset stripping, lock-in of the shares acquired in the Proposed Transaction, and/or shareholding of Consortium members in the SPV. These conditions, and those relating to the respective responsibilities and liabilities of the Successful Bidder and its Consortium members (if any), shall be specified at the RFP stage.
C14	Not Applicable	Can contractual employees create any problem and what are the safeguards against it?	It may be noted that the decision on disinvestment of FSNL is an economic policy decision of GoI and duly approved by the board and shareholders of MSTC Limited, the holding company of FSNL.
C15	Cl. 6(IV)3(i) / Page 36	<ul style="list-style-type: none">The IB satisfies the net worth based on its financial statements for the financial year ended March 31, 2022. However, such financial statements are currently unaudited. Please confirm that the net worth eligibility certificate issued by an independent chartered accountant that is based on the unaudited financial statements for financial	The IB is requested to address the details regarding financial assessment as provided in clause 6 under Eligibility Criteria on page 53 of the PIM. IBs are required to base their eligibility qualifications on audited financial statements.



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		<p>year ended March 31, 2022 will be accepted.</p> <ul style="list-style-type: none"> Note that the IB will also provide copies of the unaudited financial statements for the financial year ended March 31, 2022 signed by statutory auditor as required in the PIM and provide a copy of the audited financial statements once available. 	
C16	<p>Cl. 8(6) / Page 59</p> <p>Annexure 1, Point No. 13 / Page 64</p> <p>Annexure 1, Point No. 14 / Page 64</p>	<ul style="list-style-type: none"> One of the disqualification criteria is a charge-sheet by any Governmental Authority / conviction by a court of law including under the provisions of the Indian Penal Code, 1860, or Official Secrets Act, 1923, or any other relevant legislation for an offence committed by the IB or by any of its sister concerns or any of their promoters, promoter group and directors. IB submits that any grounds for disqualification (including the example set out above) that extend beyond the IB, its directors and promoters, are excessive and should not be considered. It should not extend to sister concerns, group concerns, subsidiaries, employees, promoters, promoter group and directors of such sister concerns, or promoter group of the IB, which could be very wide and include a number of entities in India and outside India that will have no impact on the ability of the IB to undertake the proposed transaction. 	<p>Point No.14 of Annexure 1 on Page 64 of the PIM to be updated as follows:</p> <p>Previously read as: <i>We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against any of our directors or key managerial personnel or employees</i></p> <p>Now to be read as: <i>We further declare that no investigation by a regulatory authority or other authority is pending against us, our Directors, our Key Managerial Personnel and our Parent (Applicable only for sole IBs taking benefit of the financial strength of such Parent to meet the eligibility criteria)</i></p>
C17	Annexure 6 / Page 84	<ul style="list-style-type: none"> Given that the IB will not receive any confidential information until Stage II (RFP Stage), please confirm if the Confidentiality Undertaking can be executed once the IB has been shortlisted for Stage II. Further, please also confirm if certain changes to the form of the Confidentiality Undertaking can be discussed, including with respect to the indefinite 	<ul style="list-style-type: none"> All the documents specified in the PIM need to be submitted by the IB. The confidentiality obligations under the Confidentiality Undertaking requires the unsuccessful IBs to return such confidential information back to the Company or destroy such confidential information. Accordingly, the



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		term of the undertaking. It may be noted that in certain other strategic disinvestments, the term of the confidentiality undertaking has been defined.	confidentiality obligation for unsuccessful IBs is in perpetuity. For the successful IB, such confidential information will come under their ownership upon completion of the disinvestment transaction. Therefore, there is no relevance in specifying a time period for the confidentiality obligations.
C18	Annexure 8 / Page 96	Please clarify the scope of the term “sister concerns” and would it mean affiliates of the IB that are controlled by or under common control with the IB.	<p>Sister Concerns/Group Concerns/Group Companies for the purpose of the PIM shall mean any other person which, directly or indirectly: (1) controls such person; or (2) is controlled by such person; or (3) is controlled by the same person who, directly or indirectly, controls such person; or (4) is an associate company of such person.</p> <p>In such context, “associate company”, shall have the same meaning as ascribed to it in clause (6) of section 2 of the Companies Act, 2013, as amended.</p> <p>“control” shall have the same meaning as assigned to it in clause (27) of section 2 of the Companies Act, 2013, as amended.</p>
C19	Annexure 11 / Page 106	<ul style="list-style-type: none">Given that a specific undertaking is required to be provided by the IB in relation to lock-in of its shareholding in the Company, please provide details in relation to the term and scope of the lock-in.Please also provide an express clarification that such lock-in shall not be applicable in respect of intragroup corporate restructuring or reorganisation (including by way of merger, amalgamation etc.) involving the IB or its Parent, as	Details with respect to the lock-in shall be provided at the RFP stage.



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		long as the management of the IB remains the same as disclosed at the EOI stage.					
C20	Cl. 6(IV)(3)(o) / Page 37	Which statutory approvals are required by the IB (being registered in India) from GOI/RBI/or any other Govt. agency	The IB is advised to seek appropriate independent advice on these matters from their respective advisors				
C21	Not Applicable	IB has made a request to run the organisation as a co-operative society	IBs are instructed to refer to the PIM to understand the eligibility parameters and bid process				
D. COMPANY DATA:							
D1	Cl. 3.3 / Page 20	Details of Other Bank balances held by FSNL which show a balance of 102.34 cr.	<p>IBs are instructed to refer to the Company's Annual Report for FY 2020-21, the details of Other Bank Balances worth INR 102.34 Cr are as follows:</p> <table border="1"> <tr> <td>Deposits with an original maturity of more than 3 months and upto 12 months</td> <td>INR 2.03 Cr</td> </tr> <tr> <td>Deposits with an original maturity of more than 12 months</td> <td>INR 100.31 Cr</td> </tr> </table>	Deposits with an original maturity of more than 3 months and upto 12 months	INR 2.03 Cr	Deposits with an original maturity of more than 12 months	INR 100.31 Cr
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D2	Cl. 3.7(2) / Page 24	<ul style="list-style-type: none"> To provide detailed list of all the Equipment whether owned, leased or rented by FSNL. To provide details of the Year of Manufacture for the owned equipments Whether the leased or rented equipment include maintenance in the lease or rental fee. 	Specific queries relating to the operations/financials etc will be replied at RFP Stage once access to the data room is given to the shortlisted bidders.				
D3	Not Available	<ul style="list-style-type: none"> Whether contractual work to be performed by FSNL is sub-contracted to third parties What are the details on such arrangements, if any Whether there are long term contracts that must be honoured 	Specific queries relating to the operations/financials etc will be replied at RFP Stage once access to the data room is given to the shortlisted bidders.				



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D4	Not Available	Will FSNL provide profitability for each contract?	Specific queries relating to the operations/financials etc will be replied at RFP Stage once access to the data room is given to the shortlisted bidders.
D5	Not Available	Does FSNL get fuel and other commodities at reduced pricing or tax free since they are a government entity?	Specific queries relating to the operations/financials etc will be replied at RFP Stage once access to the data room is given to the shortlisted bidders.
D6	Cl. 3 / Page 17	IB has sought for the financial data as on March 31,2022	The same will be published by the Company on its website once approved by the board
D7	Cl. 2.6 / Page 14	IB has asked for the broad designation of the employees (both Executive and Non-Executive) along with numbers	Specific queries relating to the operations/financials etc will be replied at RFP Stage once access to the data room is given to the shortlisted bidders.
D8	Cl. 3.2 / Page 18	IB has asked for the unaudited results of Quarters 3 and 4 of FY 2021-2022	The financial data for Q3 is available on the website of the Company. All other financial data post Q3 will be provided by the Company on its website as and when the same is available
D9	Cl. 2.6 / Page 14	Do the 460 non-executive employees include skilled and unskilled workers like equipment operators, mechanics, lancers, truck drivers and helpers?	Specific queries relating to the operations/financials etc will be replied at RFP Stage once access to the data room is given to the shortlisted bidders.
D10	Cl. 3.7(2) / Page 24	IB has put in a request to help them understand the encumbrance or warranty and deployment status for the 259 equipments owned by FSNL	Specific queries relating to the operations/financials etc will be replied at RFP Stage once access to the data room is given to the shortlisted bidders.
D11	Cl. 1.1 / Page 9	The entire paid-up share capital of the Company is held by MSTC. As the Company is a public limited company and is required to have at-least seven shareholders, please confirm that the remaining six shareholders are nominee shareholders of MSTC who hold nominal shares in the Company.	The Company is a private limited company as per its article of association and shareholding of the Company is held by two shareholders i.e. MSTC Limited and one nominee of MSTC Limited