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No. SEO/COM/215/1/2020

November 17, 2020

Dear Sir/Madam,

We are pleased to inform you that YSR Steel Corporation Ltd (Erstwhile APHSL - AP High Grade Steels) has invited REQUEST FOR PROPOSAL (RFP) from the interested companies to collaborate with YSRSCCL through a Joint Venture Partnership for development and operation of a Steel plant in YSR (Kadapa) District, Andhra Pradesh, India.

2. Copy of RFP document is attached, which can also be downloaded from: <https://aphighgradesteels.com/tenders.php>. Prospective companies in the Steel Industry who are interested in Joint Venture Partnership for the development of the project may submit the RFP.

3. Any query with regard to RFP can be sent to Mr. Sagili Shan Mohan, Managing Director, YSR Steel Corporation Limited, by Email: shanmohan.sagili@aphighgradesteels.com; and srikanth.suda@aphighgradesteels.com as per the Appendix 6 of the RFP document.

With regards,



(Swapnil Thorat)
Third Secretary (Commerce)



REQUEST FOR PROPOSAL (RFP)

[RFP reference No. 61/YSRSCCL/RFP/2020]

**SELECTION OF JV PARTNER FOR DEVELOPMENT AND OPERATION OF A
STEEL PLANT IN
YSR (KADAPA) DISTRICT, ANDHRA PRADESH, INDIA**

[November 16, 2020]



YSR Steel Corporation Limited
(Formerly AP High Grade Steels Limited)



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YSR Steel Corporation Limited
10th floor, APIIC Towers, Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India

LETTER OF INVITATION

November 16, 2020

To,

All Potential Applicants

Sub: RFP for selection of a joint venture partner for the development and operation of a steel plant in YSR (Kadapa) District, Andhra Pradesh, India

Dear Ma'am / Sir,

YSR Steel Corporation Limited (formerly known as AP High Grade Steels Limited), an undertaking of the Government of Andhra Pradesh, invites proposals from renowned companies in the steel sector for selection of a strategic joint venture partner for the development and operation of a steel plant in YSR (Kadapa) District, Andhra Pradesh, India.

The prospective applicants, who are willing to be associated with YSRSteel in a joint venture, are invited to submit a proposal pursuant to this RFP in accordance with the terms set forth in this RFP and other documents as may be provided by YSRSteel pursuant to this RFP, as modified, altered, amended and clarified from time to time, by YSRSteel.

You are requested to participate in the selection process and submit your proposal for the Project in accordance with the RFP.

Please note that YSRSteel reserves the right to accept or reject all or any of the proposals without assigning any reason whatsoever. Further, YSRSteel reserves the right to cancel the selection process at any time without assigning any reason whatsoever.

Capitalized terms used in this letter but not defined herein, shall have the meaning ascribed to such terms in the RFP.

Thanking you,
Yours faithfully,

Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited

DISCLAIMER

The information contained in this request for proposal document dated November 16, 2020 along with its appendices, and includes the Addenda and clarifications (if any) issued by YSRSCCL in accordance with the terms hereof (the “**RFP**”) or subsequently provided to Applicant(s), whether verbally or in documentary or any other form by or on behalf of YSRSCCL or any of its employees or advisors, is provided to Applicant(s) on the terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided.

This RFP is not an agreement and is neither an offer nor an invitation by YSRSCCL to the prospective applicants or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in making their proposals pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by YSRSCCL in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each applicant may require. This RFP may not be appropriate for all Persons, and it is not possible for YSRSCCL, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this RFP. The assumptions, assessments, statements and information contained in this RFP, may not be complete, accurate, adequate or correct. Each applicant should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this RFP and obtain independent advice from appropriate sources.

Information provided in this RFP to the Applicant(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. YSRSCCL accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

YSRSCCL, its employees and advisors make no representation or warranty and shall have no liability to any person, including any applicant under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFP or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in any way.

YSRSCCL also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any applicant upon the statements contained in this RFP.

YSRSCCL may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this RFP. No communication in whatever form shall be construed to be a part of, or supersede this RFP unless an Addendum/clarification, in writing, is issued to all applicants by YSRSCCL.

The issue of this RFP does not imply that YSRSCCL is bound to select An Applicant or to appoint the Selected Applicant, as the case may be, for the Project and YSRSCCL reserves the right to, (a) reject all or any of the Applicants or Proposals and/or (b) modify, cancel or re-

issue the RFP, in each case, without assigning any reasons whatsoever and the Applicants or any other Person will not have any claim against YSRSCCL in this regard.

The Applicant shall bear all its costs associated with or relating to the preparation and submission of its proposal including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by YSRSCCL or any other costs incurred in connection with or relating to its proposal. All such costs and expenses will remain with the applicant and YSRSCCL shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by An applicant in preparation or submission of the proposal, regardless of the conduct or outcome of the Selection process. It is clarified to the Applicants that YSRSCCL shall not be responsible, *inter alia*, for any postal/courier related delays in relation to submission of the Registration Form, Demand Draft (if applicable), Proposal and/or any other information/document required to be submitted by the Applicants.

This RFP does not purport to contain all the information that the Applicant(s) or any authorized person acting on its/their behalf would require towards preparation and/ or submission of the Proposal. The information contained in this RFP does not purport to be comprehensive or to have been independently verified. Nothing in this RFP shall be construed as a legal, financial or tax advice.

Distributing or taking / sending / dispatching / transmitting the RFP in certain foreign jurisdictions may be restricted by law, and entities into whose possession this RFP come, should inform themselves about, and observe, any such restrictions. Neither YSRSCCL, and nor its directors, employees, agents, consultants, representatives, contractors and advisors, shall be liable for any damages, whether direct or indirect, incidental, special or consequential, including loss of revenue or profits that may arise from or in connection with the use of this RFP or due to participating in the Selection process, or on account of any decision taken by YSRSCCL in connection with the Selection process.

GLOSSARY AND DEFINITIONS

“Addendum” “Addenda”	or	means an addendum or addenda to the RFP.
“Applicable Law”		means all laws applicable in India, including brought into force and effect by the government of India and state governments, including rules, regulations, policies, guidelines, directives and notifications made thereunder, and judgements, decrees, injunctions, writs and orders of any court of law/tribunal in India (to the extent applicable).
“Associate(s)”		means, in relation to An Applicant, a Person who Controls, or is Controlled by, or is under the common Control of such Applicant.
“Authorized Signatory”		has the meaning set forth in Clause 2.2.7.
“Bank Guarantee”		has the meaning set forth in Clause 2.20.1.
“Proposal”		has the meaning set forth in Clause 1.2.1.
“Applicant”		means a body corporate: (a) incorporated as a company in India under the: (i) Indian Companies Act, 1882; or (ii) Indian Companies Act, 1913; or (iii) (<i>Indian</i>) Companies Act, 1956; or (iv) (<i>Indian</i>) Companies Act, 2013; or (b) incorporated as a like entity under the relevant laws in a jurisdiction other than India; or (c) A Consortium.
“Proposal Due Date”		has the meaning set forth in Clause 1.1.4.
“Selection process”		means the Selection process being carried out by YSRSCCL in accordance with the RFP for the selection of a joint venture partner for the development and operation of the Project in accordance with the RFP.
“Proposal Processing Fee”		has the meaning set forth in Clause 1.2.3.
“Proposal Security”		has the meaning set forth in Clause 1.2.4.
“Proposal Validity Period”		has the meaning set forth in Clause 2.17.
“COD”		has the meaning set forth in Clause 1.5.1.
“Conflict of Interest”		has the meaning set forth in Clause 2.2.11.
“Consortium”		means a combination of body corporates (incorporated as companies in India (under Indian Companies Act, 1882, Indian Companies Act, 1913, (<i>Indian</i>) Companies Act, 1956 or (<i>Indian</i>) Companies Act, 2013) or incorporated as like entities under the relevant laws in a jurisdiction other than India) that have formed a consortium by fulfilling the requirements set out in this RFP for the purposes of submitting A Proposal and for implementing the Project, if such consortium is declared as the Selected Applicant.
“Control”		means with respect to any:

	<p>(a) company:</p> <p>(i) the ownership, directly or indirectly, of more than 50% (fifty percent) of shares or other ownership interest of such Person; or</p> <p>(ii) as defined under (Indian) Companies Act, 2013.</p> <p>(b) Person which is not a company:</p> <p>(i) the ownership, directly or indirectly, of more than 50% (fifty percent) of ownership interest of such Person; or</p> <p>(ii) the power to direct the management and policies of such Person, whether by operation of law or by contract or otherwise.</p>
“Damages”	has the meaning set forth in Clause 2.2.11.
“Demand Draft”	has the meaning set forth in Clause 2.1.1.(b) (i)
“Eligibility Proposal”	has the meaning set forth in Clause 1.2.1.
“Financial Capacity”	has the meaning set forth in Paragraph 2 of Appendix-2.
“Government Instrumentality”	means any department, division, sub-division or public sector enterprise of the government of India or the state governments in India, and includes any commission, board, authority, agency or municipal and other local authority or statutory body.
“INR” or “Rs.”	means the Indian Rupees, the lawful currency of India.
“JVA”	has the meaning set forth in Clause 1.1.2.
“JVC”	has the meaning set forth in Clause 1.1.1.
“JV Partner”	has the meaning set forth in Clause 1.1.2.
“Lead Member”	has the meaning set forth in Clause 2.2.15 (c).
“LOA”	has the meaning set forth in Clause 3.5.4.
“Member”	means a constituent member of a Consortium.
“Minimum Eligibility Criteria”	has the meaning set forth in Clause 2.2.14.
“MTPA”	has the meaning set forth in Clause 1.5.1.
“Net Worth”	means 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 and miscellaneous expenditure not written off, as per the audited financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;
“Online Transfer”	has the meaning set forth in Clause 2.1.1.(b)(ii).
“Performance Security”	means the performance security in the form of a bank guarantee issued by a Scheduled Bank in India, for an amount equal to 5% (five percent) of the estimated Project Cost set out in the Proposal submitted by the Selected Applicant and to be furnished at any time within 30 (thirty) days from the date of the LOA or on an earlier day acceptable to YSRSCCL.
“Person”	means any individual, company, corporation, partnership, joint venture, trust, society or any other legal entity.

“Phase 1”	has the meaning set forth in Clause 1.5.1.
“Pre-Proposal Conference”	has the meaning set forth in Clause 1.4.1.
“Project”	has the meaning set forth in Clause 1.1.1.
“Project Cost”	means the estimated cost of the Project as may be proposed by the Applicants in their Proposals and as recorded in the LoA.
“Project Registration”	has the meaning set forth in Clause 2.1.1.
“Qualified Applicants”	has the meaning set forth in Clause 3.3.1.
“Registration Certificate”	has the meaning set forth in Clause 2.1.3.
“Registration Form”	has the meaning set forth in Clause 2.1.1(a).
“Registered Email IDs”	has the meaning set forth in Clause 2.8.1.
“Request for Proposal” or “RFP”	has the meaning set forth in disclaimer.
“Scheduled Bank”	means a bank as defined under section 2(e) of the Reserve Bank of India Act, 1934, as amended from time to time.
“Selected Applicant”	has the meaning set forth in Clause 1.1.2.
“Site”	has the meaning set forth in Clause 1.5.3 (b)
“Subject Person”	has the meaning set forth in Clause 2.2.11(a).
“Technical Capacity”	has the meaning set forth in Paragraph 1 of Appendix-2.
“Techno-Commercial Proposal”	has the meaning set forth in Clause 1.2.1.
“Techno-Commercial Score”	has the meaning set forth in Clause 3.4.3.
“Tie-Applicants”	has the meaning set forth in Clause 3.5.3.
“Tranche 1 Purchase”	has the meaning set forth in Clause 1.5.4 (a) (i).
“Tranche 2 Purchase”	has the meaning set forth in Clause 1.5.4 (a) (ii).
“Transaction Advisors”	mean SBI Capital Markets Limited, Shardul Amarchand Mangaldas & Co. and M. N. Dastur & Company (P) Ltd.
“Turnover”	has the meaning ascribed to such term under the Companies Act, 2013.
“YSRSCL”	has the meaning set forth in Clause 1.1.1.

The words and expressions beginning with capital letters and defined in this document shall, unless repugnant to the context, have the meaning ascribed thereto hereinabove.

INVITATION FOR PROPOSALS

YSR Steel Corporation Limited

1. INTRODUCTION

1.1 Background

- 1.1.1 YSR Steel Corporation Limited (“**YSRSCL**”) (formerly known as AP High Grade Steels Limited), was incorporated on November 21, 2019 by the Government of Andhra Pradesh as a special purpose vehicle, with the objective of setting up a steel plant in the YSR (Kadapa) District, Andhra Pradesh, India (“**Project**”). Accordingly, YSRSCSCL intends to select and induct a renowned company in the steel sector as a strategic joint venture partner for the development and operation of the Project through YSRSCSCL or a new joint venture company, as the case may be (in each case, hereinafter referred to as the “**JVC**”)¹.
- 1.1.2 In light of the above background, YSRSCSCL invites Proposals pursuant to this RFP in accordance with the terms set forth in the RFP for the selection of a joint venture partner for the development and operation of the Project. The Applicant, who is selected by YSRSCSCL pursuant to the terms and conditions of the RFP (“**Selected Applicant**”), shall be required to enter into a joint venture agreement² (“**JVA**”) (the Selected Applicant who enters into the JVA shall hereinafter be referred to as the “**JV Partner**”). The JVA would, *inter alia*, set forth the detailed terms and conditions for execution of the Project, the roles and responsibilities of the parties, and the inter se rights and obligations of the parties. However, the broad principles on the basis of which the JVA would be finalised are set out in Clause 1.5.
- 1.1.3 The statements and explanations contained in this RFP are intended to provide a better understanding to the Applicants about the subject matter of this RFP and should not be construed or interpreted as limiting in any way or manner the scope of services and obligations of the JV Partner as may be specified in the JVA; or YSRSCSCL’s rights to amend, alter, change, supplement or clarify the scope of work and obligations of the JV Partner, or the terms herein contained. Consequently, any omissions, conflicts or contradictions in this RFP are to be noted, interpreted and applied appropriately to give effect to this intent, and no claims on that account shall be entertained by YSRSCSCL.
- 1.1.4 YSRSCSCL shall receive Proposals pursuant to this RFP in accordance with the terms set forth in this RFP, and all Proposals shall be prepared and submitted in accordance with such terms on or before the date specified in Clause 1.3 for submission of Proposals (the “**Proposal Due Date**”).

1.2 Brief description of Selection process

- 1.2.1 Applicants (whether individually or in Consortium) who believe that they would be able to fulfil the Minimum Eligibility Criteria, are being called upon to submit their

¹ **Note to Applicants:** The structure of the JVC, as to whether YSRSCSCL itself would become the JVC or a new JVC would be incorporated by YSRSCSCL and the JV Partner, would be finalized by YSRSCSCL prior to execution of the JVA.

² **Note to Applicants:** The structure of the JVC, as to whether YSRSCSCL itself would become the JVC or a new JVC would be incorporated by YSRSCSCL and the JV Partner, would be finalized by YSRSCSCL prior to execution of the JVA, and to that extent, the JV Partner would be required to enter into the JVA with YSRSCSCL or the Government of Andhra Pradesh (as the case may be).

details as per the format specified in Appendix-2 along with the documents mentioned in Clause 2.11.1 (“**Eligibility Proposal**”), and their techno-commercial proposal as per the format specified in Appendix-5 along with the documents mentioned in Clause 2.11.3 (“**Techno-Commercial Proposal**”) (for the purposes of the RFP, the Eligibility Proposal and the Techno-Commercial Proposal shall be collectively referred to as the “**Proposal**”).

- 1.2.2 YSRSCCL has adopted a two stage selection process for evaluating the Proposals. In the first stage, all Eligibility Proposals (which are responsive in terms of the RFP) shall be evaluated in accordance with Clause 3.3. Based on the evaluation of the aforesaid Eligibility Proposals, a list of Qualified Applicants shall be prepared. In the second stage, Techno-Commercial Proposals of only the Qualified Applicants shall be evaluated in accordance with Clause 3.4.3. The Proposals of the Qualified Applicants shall finally be ranked in accordance with Clause 3.5.1. The first ranked Qualified Applicant shall be the Selected Applicant.
- 1.2.3 Prior to participation in the Selection process, the Applicant shall pay to YSRSCCL a non-refundable sum of INR 3,54,000 (Including GST @ 18%) (Indian Rupees Three Lakh Fifty Four Thousand), the Proposal processing fee (“**Proposal Processing Fee**”), in the form of a Demand Draft or through Online Transfer as provided under Clause 2.1.1 (b).
- 1.2.4 An Applicant is required to deposit, along with its Proposal, A Proposal security of INR 15,00,00,000 (Indian Rupees Fifteen Crores) (the “**Proposal Security**”), refundable not later than 60 (sixty) days from the Proposal Due Date, except in the case of the Selected Applicant whose Proposal Security shall be retained till it has provided a Performance Security in accordance with this RFP. The Applicants shall provide the Proposal Security in the form of a Bank Guarantee acceptable to YSRSCCL in the format provided at Annexure G of Appendix-3. The validity period of the Bank Guarantee shall not be less than 180 (one hundred and eighty) days from the Proposal Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between YSRSCCL and the Applicant from time to time. The Proposal shall be summarily rejected if it is not accompanied by a valid Proposal Security.
- 1.2.5 Prior to submission of their Proposals, the Applicants are invited to examine the Project in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Proposals for award of the Project including implementation thereof.
- 1.2.6 Details of the Selection process and the terms thereof are spelt out in this RFP.
- 1.2.7 Any queries or request for additional information concerning this RFP shall be submitted in writing (in the format set out in Appendix-6 in an MS Word file only) by e-mail so as to reach the officer designated below, subject to the timelines specified in Clause 1.3:

Attention:

Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers

Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India
Mobile: +91 9513387589
Email: shanmohan.sagili@aphighgradeesteels.com and
srikanth.suda@aphighgradeesteels.com

1.3 Schedule of Selection process

YSRSCL shall endeavour to adhere to the following schedule. However, notwithstanding anything contrary contained herein, YSRSCL may anytime, in its sole discretion, revise or extend any of the timelines set out below:

	Event Description	Date
1.	Date of Notice Inviting Proposals	November 13, 2020
2.	Publication of the RFP	November 16, 2020
3.	Last date for receiving queries	November 25, 2020
4.	Pre-Proposal Conference	Date: November 27, 2020 Time: To be intimated Venue: Microsoft Teams / (Details to be intimated)
5.	YSRSCL's response to queries latest by	November 30, 2020
6.	Proposal Due Date and time	Date: December 07, 2020 Time: 16:00 hours IST
7.	Opening of Eligibility Proposals	Date & Time: To be intimated Venue: To be intimated
8.	Opening of Techno-Commercial Proposals	Date & Time: To be intimated Venue: To be intimated
9.	Validity of Proposals	180 days from the Proposal Due Date

1.4 Pre-Proposal Conference

- 1.4.1 The date, time and venue of the pre-Proposal conference (“**Pre-Proposal Conference**”) shall be as specified in Clause 1.3 above.

1.5 Salient Features of the Project and Principles for the Joint Venture

The salient features of the Project are set out below (in brief). However, it may be noted that the broad roles and responsibilities of the parties as set out below are only indicative and not exhaustive, and shall be detailed in the JVA and/or other definitive documents to be entered into in connection with the Project.

1.5.1 Project contours

The JVC shall be required to develop and operate the Project with a capacity of at least 1 million tonnes per annum (“MTPA”) of crude steel and/or finished product(s) or such higher capacity as specified in the Proposal submitted by the JV Partner (such phase of the Project being “Phase 1”), and commence commercial operations of such Phase 1 (“COD”) by March 31, 2024 (based on the presently targeted zero date (i.e. date of signing of the JVA) of January 31, 2021 or earlier). The minimum configuration for Phase 1 shall comprise of either a, (a) rolling mill (i.e. bar mill, wire rod mill or structural mill), (b) hot strip mill, (c) cold rolling mill, or (d) steel melting shop, with a capacity of at least 1 (one) MTPA crude steel and/or finished product(s) production. In this regard, finished product(s) shall mean either, rebars, wire rods, structurals, PM plates or hot rolled coils, or a combination of any of them, but does not preclude further processing of the same.

- (a) Accordingly, the commitments of YSR SCL (set out herein) are in relation to Phase 1 only.
- (b) Subject to the terms of the JVA, the JV Partner would (though the JVC) be entitled to undertake expansion of the installed capacity of the Project (over and above the capacity under Phase 1).

1.5.2 Role and responsibilities of the JV Partner

JV Partner shall be responsible for, inter alia, the following:

Capital related

- (a) Making equity contributions in the JVC in accordance with the commitments made by the JV Partner as specified in its Proposal. However:
 - (i) the JV Partner shall be mandatorily required to acquire/ hold at least 51% (fifty one percent) of the subscribed and paid-up equity share capital (without accounting for quasi-equity instruments) of the JVC on or prior to the COD;
 - (ii) the JV Partner shall be mandatorily required to acquire additional holding as detailed in Clause 1.5.2 (a) (iv) hereunder;
 - (iii) without prejudice to Clause 1.5.2 (a) (i) above, the JV Partner shall be mandatorily required to contribute equity in the JVC upfront from the commencement of the development of the Project along with YSR SCL
 - (A) in the event that the total equity component for Phase 1 (including interest during construction and the preliminary and pre-operative

expenses) is estimated to be more than, or exceeds INR 3,000 crores (Indian Rupees Three Thousand Crores); and /or

(B) in the event that the JV Partner has in terms of its Proposal committed to any equity contribution in the JVC prior to COD

as to be further detailed in the definitive documents;

- (iv) without prejudice to Clause 1.5.2 (a) (i) and Clause 1.5.2 (a) (iii) above, in the event that there are any cost overruns during the development of the Project, i.e. amounts in excess of the Project Cost as approved under the financing documents (entered into between the JVC and senior lenders for the Project), the JV Partner shall be required to fund any such cost overruns.
- (b) The JV Partner shall, in consultation with YSRSCCL, finalise the capital structure for implementing the Project, and will provide necessary technical, business and operational inputs required by the JVC in connection with procuring debt financing for the Project.
- (c) Without prejudice to Clause 1.5.2 (a) (iii) above and subject to Clause 1.5.2 (d) below, the JV Partner shall, as part of its Proposal, indicate the extent of equity and quasi-equity (including preference shares/warrants) that it would, (a) contribute itself, and (b) require YSRSCCL to contribute, in the JVC. However, the quasi-equity which may be required to be infused by YSRSCCL (on the basis of the Proposal of the JV Partner) shall not exceed 60% (sixty percent) of the total equity component of Phase 1.
- (d) The total contribution of YSRSCCL with respect to, (a) the total equity (including equity and quasi-equity) of the JVC, and (b) provision/procurement of any external infrastructure required for the Project, shall be subject to a maximum cumulative limit of the lower of (a) INR 3,000 crores (Indian Rupees Three Thousand Crores), or (b) 33% (thirty three percent) of the estimated total cost of the Phase 1, which would be determined by YSRSCCL pursuant to the evaluation of the Proposal submitted by the JV Partner. Further, YSRSCCL shall be entitled to affirmative voting rights/reserved matter rights as well as the director nomination rights as provided herein, till such time as it holds any shareholding or quasi equity in the JVC.

Project development and management

- (e) The JV Partner would enter into an implementation agreement with the JVC such that the JV Partner would be responsible for managing the design, engineering, construction and commissioning of the Phase 1.
- (f) The JV Partner would be entitled to determine the product mix that would be manufactured along with the configuration of and the technology to be used in, the Project (as specified in the Proposal submitted by the JV Partner). However, the JV Partner must ensure that the Project would be developed and operated using environment friendly and sustainable technologies and processes, and conform to the good industry practices.

Operations and debt service

- (g) Operating, maintaining and managing the Project on and from the COD. At COD, the JV Partner shall demonstrate the operation of the Phase 1 (having an installed capacity of at least 1 MTPA) to the satisfaction of YSR SCL. It may be noted that the JVC would be responsible for its operational expenditures and servicing of its debt, without any recourse to Government of Andhra Pradesh.
- (h) The JV Partner shall, based on its Proposal submission be required to either, (i) enter into an offtake arrangement with the JVC (i.e. the JV Partner shall buy the product(s) manufactured by the JVC on a cost plus margin basis) or (ii) market and sell the product(s) manufactured by the JVC under its own brand, and in each case, ensure that the JVC generates sufficient cash flow to discharge its obligations including payment of all operational expenses, statutory dues, servicing of external debt and payment of coupon on quasi-equity (if any) subject to Applicable Law.

Others

- (i) The JVC shall have the option to set up auxiliary units (including but not limited to ASU, CPP, LCP etc.) as required for the Project.
- (j) The JV Partner shall ensure that the JVC's corporate social responsibility funds are only expended within Andhra Pradesh and preferably in YSR (Kadapa) District.

1.5.3 YSR SCL Support

- (a) If required by the JV Partner, YSR SCL may contribute the initial equity to facilitate the commencement of construction of the Project in a time efficient manner, based on the Proposal submitted by the JV Partner. The mechanism and instrument(s) for such equity contribution would be in accordance with the terms of the JVA (and may include a combination of equity and quasi-equity instruments) based on such Proposal submission.
- (b) YSR SCL shall make available unencumbered contiguous land (having an area to an extent of 3,500 (three thousand five hundred) acres) ("Site") to the JVC for the development of the Project. However, it may be noted that the cost of, (a) acquisition and transfer of the Site incurred by Government of Andhra Pradesh and/or YSR SCL, (b) construction by YSR SCL of a suitable and secured wall around the Site, and (c) any other facilities such as construction of office at Site etc. as may be provided by YSR SCL, shall be deemed to form part of the Project Cost, and shall be treated as part of the equity contribution of YSR SCL for the Project. Further, it may be noted that Site would be allowed to be used only for the purposes of the Project.
- (c) YSR SCL shall make available certain external infrastructure up to the Site (or up to a designated point within the Site, as the case may be). Such external infrastructure would comprise of: (i) a double circuit transmission line of 400KV from Jammalamadugu substation up to a designated point within the Site, for uninterrupted power supply, (ii) a 15 kilometres long raw water

pipeline (including procuring/ undertaking acquisition of the right of way for such pipeline) along with the necessary pumping infrastructure from Gandikota reservoir for raw water supply, (iii) a 4 lane access road to national highway 67 with adequate right of way, and (iv) a railway connectivity by laying an extension line of about 12 kilometres from the nearest railway line, with adequate right of way. The JVC would be required to pay the user charges (on a cost plus return basis) for using the external infrastructure facilities.

- (d) YSR SCL has entered into a memorandum of understanding with NMDC Limited for supply of 5 (five) MTPA iron ore for the Project. However, the JV Partner would, in its discretion, be entitled to procure iron ore (and other raw materials) from additional/alternate sources in the event that the same is more beneficial for the Project.
- (e) YSR SCL would, on a best effort basis, provide reasonable assistance to the JVC in procuring consents and approvals required for construction and operation of the Project. It may be noted that YSR SCL has already applied for the environmental consent for the Project (for a capacity up to 3 (three) MTPA), and in this regard, the Environmental Impact Assessment (**EIA**) report has been submitted on September 28, 2020 and public hearing was conducted on November 11, 2020 successfully.
- (f) YSR SCL would extend the applicable benefits under the Andhra Pradesh Industrial Development Policy, 2020 to the JVC and the Project.

1.5.4 Exit mechanism for YSR SCL

- (a) During the course of execution of the Project, the JV Partner shall:
 - (i) compulsorily acquire, at least 51% (fifty one percent) of the subscribed and paid-up equity share capital (without accounting for quasi-equity instruments) of the JVC on or prior to the COD, at par ("**Tranche 1 Purchase**");
 - (ii) acquire the balance subscribed and paid-up equity share capital (without accounting for quasi-equity instruments) of the JVC to the extent held by YSR SCL ("**Tranche 2 Purchase**"), on or prior to the expiry of 7 (seven) years from COD. Acquisition of equity shares under Tranche 2 Purchase shall be undertaken at fair market value to be determined by an independent merchant banker mutually appointed by YSR SCL and the JV Partner;
 - (iii) subject to the requirements under Clause 1.5.4 (a) (i) and 1.5.4 (a) (ii) above, and until such time that YSR SCL holds any equity and/or quasi-equity in the JVC, own and retain majority shareholding in the JVC.
- (b) To the extent that YSR SCL infuses capital into the JVC through quasi-equity instruments, based on the Proposal submitted by the JV Partner, the JV Partner shall ensure that the JVC redeems such quasi-equity instruments in cash (taking into account the principal along with any unpaid and/or accrued interest) any time prior to the 7th anniversary of COD (whether at once or in multiple

tranches). In the event that the aforesaid quasi-equity instruments held by YSR SCL are not redeemed by YSR SCL in accordance with this Clause 1.5.4 (b), the JV Partner shall be required to acquire such quasi-equity held by YSR SCL at book value.

- (c) Each of the aforesaid transfers to, and purchase by JV Partner, of the Tranche 1 Purchase, Tranche 2 Purchase and quasi-equity instruments (if any), shall be undertaken in accordance with and subject to Applicable Law requirements.
- (d) Until YSR SCL holds more than 50% (fifty percent) of the equity in the JVC, YSR SCL shall have Control over the management and policies of the JVC. Where YSR SCL's stake is below 50% (fifty percent), YSR SCL shall be entitled *inter alia*, to affirmative voting rights/reserved matter rights as well as the right to appoint a director on the board of the JVC, to ensure control over certain critical issues relating to the operation and management of the JVC and the Project, till such time as it retains any shareholding or quasi-equity in the JVC.
- (e) YSR SCL and the JV Partner may, on mutually agreed terms and conditions, explore the option of raising equity funding for the JVC from institutional investors.

1.5.5 Submission of business plan

- (a) As part of the Proposal submission, each Applicant would be required to submit, *inter alia*, its preliminary business plan for the Project (covering the parameters specified in the RFP). The Project should be envisaged to utilize techno-commercially proven and best in class technology and project configurations, appropriate for the planned capacity for the Project. The preliminary business plan shall include, *inter alia*, the following:
 - (i) estimated plant capacity and product mix envisaged by the Applicant;
 - (ii) estimated production route, configuration and capacities envisaged by the Applicant for iron making, steel making and rolling, as may be applicable;
 - (iii) an indication, if applicable, that the sourcing of the major raw materials or intermediate products (*i.e.* pellets, pig iron, coking coal or semis like slabs or billets) are considered to be sourced from the captive sources or group companies of the Applicant and the broad commercial terms & conditions, quantity and duration of the committed supply for the same;
 - (iv) marketing philosophy of the products of the envisaged Project;
 - (v) the estimated Project Cost for Phase 1 of the Project as may be proposed by the Applicant;
 - (vi) investment plan proposed by the Applicant for investment on a proportionate basis to the overall total Project Cost, during Phase 1 of the Project ;
 - (vii) demonstrate the ability of the applicant to achieve financial closure for

the project

- (viii) proposed time schedule for achieving milestones of plant capacity envisaged for Phase 1 of the Project;
 - (ix) employment to be generated in Phase 1 of the Project; and
 - (x) future expansion plans as envisaged by the Applicant.
- (b) During the evaluation of the Proposal, YSR SCL shall examine, inter alia, the feasibility of the preliminary business plan submitted by the Applicant and may seek further information and clarifications on the same. The preliminary business plan shall also be presented by the Applicants as a part of their presentation during the process of evaluation of the Proposal.
- (c) The preliminary business plan of the Selected Applicant shall form the basis of the joint venture agreement to be entered into by YSR SCL with the Selected Applicant.
- (d) YSR SCL at all times reserves the right to examine the feasibility of the preliminary business plan submitted by any Applicant and require the Applicant/ Selected Applicant to furnish further details and information on the preliminary business plan submitted.

2. INSTRUCTIONS TO APPLICANTS

A. GENERAL

2.1. Registration for Selection process

2.1.1 An Applicant shall be eligible to submit its Proposal, only after it has successfully completed the registration for the Selection process (“**Project Registration**”) by:

- (a) submitting to YSRSCCL, a duly filled and completed registration form in the format set out in Appendix-1 (“**Registration Form**”);
- (b) making payment to YSRSCCL, of the non-refundable Proposal Processing Fee through:
 - (i) a demand draft drawn on any nationalized/Scheduled Bank in India in favour of ‘AP HIGH GRADE STEELS LIMITED’³ and payable in Vijayawada, Andhra Pradesh, India (“**Demand Draft**”). The Demand Draft should have a validity of at least 75 (seventy five) days from the date of receipt of such Demand Draft by YSRSCCL; or
 - (ii) by online transfer through real time gross settlement (RTGS) or national electronic funds transfer (NEFT) to the account set out below (“**Online Transfer**”):

Name of beneficiary	AP HIGH GRADE STEELS LIMITED ⁴
Name of bank	HDFC Bank
Branch	One Town, Vijayawada
Account number	50200049040902
IFSC	HDFC0000568

2.1.2 An Applicant who has successfully completed the Project Registration may, in its sole discretion, form a Consortium (in accordance with the terms and conditions contained in the RFP) for the purpose of submission of A Proposal under and in accordance with the RFP, any time after successful completion of the Project Registration, but in any case prior to submission of its Proposal. For the avoidance of any doubt, in case of a Consortium, any 1 (one) Member shall be required to have successfully completed the Project Registration in order for the Consortium to be permitted to submit its Proposal in accordance with the RFP.

2.1.3 For participating in the Selection process for the Project, the Applicants shall submit the following through speed post/registered post/courier/hand delivery or e-mail:

³ **Note:** The name change is in process and yet to be updated in banking records. Therefore, for the purposes of Demand Draft, please use the former name.

⁴ **Note:** The name change is in process and yet to be updated in banking records. Therefore, for the purposes of RTGS/NEFT, please use the former name.

- (a) Registration Form duly filled by the concerned Applicant; and
- (b) the original Demand Draft (in case the Applicant wants to make payment of Proposal Processing Fee through a Demand Draft) or otherwise proof of payment through Online Transfer,

to the Person set out below:

Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers
Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India
Mobile: +91 9513387589
Email: shanmohan.sagili@aphighgradeesteels.com and
srikanth.suda@aphighgradeesteels.com

It is clarified to the Applicants that YSR SCL shall not be responsible, *inter alia*, for any postal/courier related delays in relation to submission of the Registration Form, and Demand Draft (if applicable) required to be submitted by the Applicants.

2.1.4 Upon successful completion of the Project Registration by An Applicant, YSR SCL shall issue a registration certificate (“**Registration Certificate**”) to the Applicant. The Applicant shall retain the Registration Certificate and shall be required to submit a copy such Registration Certificate along with its Proposal. For the avoidance of any doubt, in the event that An Applicant is a Consortium, submission of a copy of the Registration Certificate issued in the name of any 1 (one) of its Members shall be sufficient to be submitted along with the Proposal of such Consortium.

2.2. General terms of Application process

2.2.1. No Applicant (whether a sole entity or a Consortium) shall submit more than one Proposal for the Project. An Applicant applying individually or as a Member of a Consortium shall not be entitled to submit another Proposal either individually or as a Member of any Consortium, as the case may be.

2.2.2. The details pertaining to the land and infrastructure to be provided by YSR SCL for the Project, would be provided by YSR SCL only as a preliminary reference by way of assistance to the Applicants who are expected to carry out their own surveys, investigations and other detailed examination of the Project before submitting their Proposals. Nothing contained in the aforesaid studies shall be binding on YSR SCL nor confer any right on the Applicants, and YSR SCL shall have no liability whatsoever in relation to or arising out of any or all contents of the aforesaid studies.

2.2.3. Notwithstanding anything to the contrary contained in this RFP, the detailed terms which would be specified in the JVA shall have an overriding effect over the terms of the RFP in case of a conflict between the two; provided, however, that any conditions

or obligations imposed on the Applicant hereunder shall continue to have effect in addition to its obligations under the JVA.

- 2.2.4. The Proposal should be furnished in the format at Appendix-3 and Appendix-5 in accordance with the RFP, and along with all enclosures and supporting documents (as may be required), duly signed by the Applicant's authorised signatory. In the event of any difference between figures and words, the amounts indicated in words shall be taken into account.
- 2.2.5. The Applicant shall deposit A Proposal Security of INR 15,00,00,000 (Indian Rupees Fifteen Crores in accordance with the provisions of this RFP. The Applicant shall provide the Proposal Security in the form of a Bank Guarantee acceptable to YSRSCCL, as per format at Annexure G of Appendix-3.
- 2.2.6. The validity period of the Bank Guarantee shall not be less than 180 (one hundred and eighty) days from the Proposal Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between YSRSCCL and the Applicant. The Proposal shall be summarily rejected if it is not accompanied by the Proposal Security. The Proposal Security shall be refundable no later than 60 (sixty) days from the Proposal Due Date except in the case of the Selected Applicant whose Proposal Security shall be retained till it has provided a Performance Security.
- 2.2.7. The Applicant should submit as part of its Eligibility Proposal a power of attorney as per the format at Annexure E of Appendix-3 or a certified true copy of the resolution of its board of directors in the format set forth in Annexure F of Appendix-3, authorising the signatory of the Proposal to commit the Applicant ("**Authorized Signatory**"). In case the Applicant is a Consortium, the Member other than the Lead Member shall furnish a power of attorney in favour of the Lead Member in the format at Annexure D of Appendix-3.
- 2.2.8. Any condition or qualification or any other stipulation contained in the Proposal shall render the Proposal liable to rejection as a non-responsive Proposal.
- 2.2.9. The Proposal (along with all supporting documents) and all communications in relation to the Proposal shall be in the English language.
- 2.2.10. The documents including this RFP and all attached documents, provided by YSRSCCL are and shall remain or become the property of YSRSCCL and are transmitted to the Applicants solely for the purpose of preparation and the submission of A Proposal in accordance herewith. Applicants are to treat all information as strictly confidential and shall not use it for any purpose other than for the preparation and submission of their Proposal. The provisions of this Clause 2.2.10 shall also apply mutatis mutandis to Proposals and all other documents submitted by the Applicants, and YSRSCCL will not return to the Applicants any Proposal, document or any information provided along therewith.
- 2.2.11. An Applicant shall not have a conflict of interest (the "**Conflict of Interest**") that affects the Selection process. Any Applicant found to have a Conflict of Interest shall be disqualified. In the event of disqualification, YSRSCCL shall be entitled to forfeit and appropriate the Proposal Security or Performance Security, as the case may be, as mutually agreed genuine pre-estimated loss and damage likely to be suffered and

incurred by YSRSCCL and not by way of penalty for, *inter alia*, the time, cost and effort of YSRSCCL, including consideration of such Applicant's proposal (the "**Damages**"), without prejudice to any other right or remedy that may be available to YSRSCCL under the RFP or otherwise. Without limiting the generality of the above, An Applicant shall be deemed to have a Conflict of Interest affecting the Selection process, if:

- (a) the Applicant, its Member or its Associate and any other Applicant, its Member or its Associate have common controlling shareholders or other ownership interest; provided that this disqualification shall not apply in cases where the direct or indirect shareholding of An Applicant, its Member or its Associate thereof (or any shareholder thereof having a shareholding of more than 5% (five per cent) of the paid up and subscribed share capital of such Applicant, its Member or Associate, as the case may be) in the other Applicant, its Member or Associate, is less than 5% (five per cent) of the subscribed and paid up equity share capital thereof; provided further that this disqualification shall not apply to any ownership by a bank, insurance company, pension fund or a public financial institution referred to in sub-section (72) of section 2 of the Companies Act, 2013. For the purposes of this Clause 2.2.11, indirect shareholding held through one or more intermediate Persons shall be computed as follows: (aa) where any intermediary is controlled by a Person through management control or otherwise, the entire shareholding held by such controlled intermediary in any other person (the "**Subject Person**") shall be taken into account for computing the shareholding of such controlling Person in the Subject Person; and (bb) subject always to sub-clause (aa) above, where a Person does not exercise Control over an intermediary, which has shareholding in the Subject Person, the computation of indirect shareholding of such Person in the Subject Person shall be undertaken on a proportionate basis; provided, however, that no such shareholding shall be reckoned under this sub-clause (bb) if the shareholding of such Person in the intermediary is less than 26% of the subscribed and paid up equity shareholding of such intermediary; or
- (b) such Applicant, its Member or any Associate thereof receives or has received any direct or indirect subsidy, grant, concessional loan or subordinated debt from any other Applicant, its Member or Associate, or has provided any such subsidy, grant, concessional loan or subordinated debt to any other Applicant, its Member or any Associate thereof; or
- (c) such Applicant has the same Authorized Signatory for purposes of this Proposal as any other Applicant; or
- (d) such Applicant has the same legal, technical, or financial consultant as another Applicant for the purposes of submission of Proposal;
- (e) such Applicant, or any Associate thereof, has a relationship with another Applicant, or any Associate thereof, directly or through common third party/parties, that puts either or both of them in a position to have access to each other's information about, or to influence the Proposal of either or each other;
- (f) such Applicant or any Associate thereof has participated as a consultant to YSRSCCL in the preparation of any documents, design or technical specifications of the Project; or

- (g) such Applicant has appointed any of the Transaction Advisors as an adviser/consultant for the purposes of submission of its Proposal.

Explanation:

In case An Applicant is a Consortium, then the term Applicant as used in this Clause 2.1.11, shall include each Member of such Consortium.

2.2.12. This RFP is not transferable. The RFP and all attached documents, are and will remain the property of YSRSCCL, and are transmitted to the Applicants solely for the purpose of preparation and submission of their respective Proposals for the Project, in accordance with the terms, hereof. The provisions of this Clause 2.2.12 shall apply, *mutatis mutandis*, to Proposals and all other documents submitted by the Applicants, and YSRSCCL shall not be liable to return any Proposal or any document or information provided by the Applicants.

- (a) Any award of the Project pursuant to this RFP shall be subject to the terms of RFP, the JVA and any other definitive documents (as specified in the JVA). An Applicant shall be prohibited from participating in the Selection process if:
- (i) as a matter of law or official regulation, the Government of India prohibits commercial relations with the country of the Applicant;
 - (ii) the Applicant is required to procure an approval/clearance/registration from the Government of India or any Government Instrumentality under the framework of the Foreign Exchange Management Act, 1999, the General Financial Rules, 2017 (issued by the Ministry of Finance, Government of India) or otherwise from a security perspective;
 - (iii) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Government of India prohibits any import of goods or contracting of works or services from the Applicant's country or any payments to Persons or entities of that country; or
 - (iv) it engages in any “corrupt practices”, “coercive practices”, “fraudulent practices”, “undesirable practices” or “restrictive practices”, in connection with the Selection process, as envisaged under Clause 4 of this RFP.

2.2.13. Any entity which has been barred by a Government Instrumentality from participating in any project, and the bar subsists as on the Proposal Due Date, would not be eligible to submit A Proposal (either individually or as a Member).

2.2.14. To be considered as technically qualified for submitting A Proposal (in accordance with the RFP) for the Project, An Applicant must fulfil the Technical Capacity and the Financial Capacity set out in Appendix-2 (collectively the “**Minimum Eligibility Criteria**”). For the purposes of satisfying the Minimum Eligibility Criteria under the RFP, An Applicant (or a Member of a Consortium) may rely on the Technical Capacity and/or Financial Capacity of its Associates, and in such an event the Applicant (or the concerned Member of a Consortium) shall submit a certificate issued by its statutory

auditor in the format prescribed in Annexure C of Appendix-3, evidencing that such entity is an Associate of the Applicant (or the Member).

2.2.15. In the event that An Applicant is a Consortium, it shall additionally comply with the following requirements:

- (a) The number of Members shall not exceed 2 (two);
- (b) The Proposal should contain the relevant information required for each Member;
- (c) Members shall nominate 1 (one) Member as the lead member (the “**Lead Member**”), in whose favour the Member other than the Lead Member shall issue a power of attorney in the format set out under Annexure D of Appendix-3;
- (d) The Proposal should include a brief description of the roles and responsibilities of the Members, particularly with respect to financial, technical, and operation and maintenance, and marketing and sales obligations, in connection with the Project;
- (e) No change in the composition of the Consortium shall be allowed subsequent to the submission of the Proposal during the Selection process;
- (f) A Member of a Consortium shall not be entitled to submit another Proposal either individually or as a Member of any Consortium, as the case may be.
- (g) In the event that a Consortium is declared as the Selected Applicant, and enters into the JVA in accordance with the RFP, during the term of the JVA, the shareholding related commitments of the JV Partner (as set out in the RFP) shall be fulfilled by the Members in the following *inter-se* proportion:
 - (i) Lead Member: at least 51% (fifty one percent); and
 - (ii) Member other than the Lead Member (i.e. the second Member of the Consortium): at least 26% (twenty six percent).
- (h) Notwithstanding anything to the contrary contained herein, in the event that a Consortium is declared as the Selected Applicant, the Members shall be jointly and severally liable for all the obligations of the JV Partner.

2.2.16. The following conditions shall be adhered to while submitting A Proposal:

- (a) Applicants should attach clearly marked and referenced continuation sheets in the event that the space provided in the prescribed forms in the Annexes is insufficient. Alternatively, Applicants may format the prescribed forms making due provision for incorporation of the requested information;
- (b) information supplied by An Applicant must apply to the Applicant or its Associate named in the Proposal and not, unless specifically requested, to other associated companies or firms;

- (c) in responding to the qualification submissions, Applicants should demonstrate their capabilities in accordance with Clause 3 of this RFP;

2.2.17. While qualification is open to Persons from any country, the following provisions shall apply:

- (a) Where, on the Proposal Due Date, 25% (twenty five per cent) or more of the aggregate issued, subscribed and paid up equity share capital in An Applicant is held by Persons resident outside India or where An Applicant is controlled by Persons resident outside India; or
- (b) if at any subsequent stage after the Proposal Due Date, there is an acquisition of 25% (twenty five per cent) or more of the aggregate issued, subscribed and paid up equity share capital or Control, by Persons resident outside India, in or of the Applicant;

then the qualification of such Applicant or in the event described in sub clause (b) above, the continued qualification of the Applicant shall be subject to approval of YSRSCCL from national security and public interest perspective. The decision of YSRSCCL in this behalf shall be final and conclusive, and binding on the Applicant.

The holding or acquisition of equity or Control, as above, shall include direct or indirect holding/ acquisition, including by transfer, of the direct or indirect legal or beneficial ownership or Control, by Persons acting for themselves or in concert and in determining such holding or acquisition, YSRSCCL shall be guided by the principles, precedents and definitions contained in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, or any substitute thereof, as in force on the date of such acquisition.

The Applicant shall promptly inform YSRSCCL of any change in the shareholding, as above, and failure to do so shall render the Applicant liable for disqualification from the Selection process.

2.3. Change in Ownership

2.3.1. By submitting the Proposal, the Applicant shall be deemed to have acknowledged and agreed that in the event of a change in Control of a Member or an Associate whose Technical Capacity and/ or Financial Capacity was taken into consideration for the purposes of satisfying the Minimum Eligibility Criteria under and in accordance with the RFP where such change occurs prior to the issuance of the LOA (or otherwise while such Proposals continue to remain valid), the Applicant shall be deemed to have knowledge of the same and shall be required to inform YSRSCCL forthwith along with all relevant particulars about the same and YSRSCCL may, in its sole discretion, disqualify the Applicant.

2.3.2. With respect to the Selected Applicant/JV Partner, in the event that a Member or an Associate whose Technical Capacity and/or Financial Capacity was taken into consideration for the purposes satisfying the Minimum Eligibility Criteria under and in accordance with the RFP, ceases to be a Member or an Associate at any time prior to

the expiry of two (2) years from the COD, the concerned Applicant shall inform YSRSCCL forthwith along with all relevant particulars, and YSRSCCL may, in its sole discretion, disqualify the Applicant from the Selection process or withdraw the LOA issued in favour of such Applicant and terminate the JVA entered into with such Applicant, as the case may be, and YSRSCCL shall be entitled to appropriate the Proposal Security or Performance Security provided by the Selected Applicant/JV Partner (as the case may be).

2.4. Cost of Application process

The Applicants shall be responsible for all of the costs associated with the preparation of their Proposals and their participation in the Selection process. YSRSCCL will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Selection process.

2.5. Site visit and verification of information

2.5.1. Applicants are encouraged to submit their respective Proposals after visiting the Site and ascertaining for themselves the Site conditions, demand, location, surroundings, climate, availability of power, water and other utilities for construction, access to Site, handling and storage of materials, weather data, Applicable Laws and regulations, and any other matter considered relevant by them.

2.5.2. Applicants are encouraged to undertake independent verification of the Site at their own cost and expense, and satisfy themselves of the suitability and adequacy of the Site for setting up the Project and any risk involved in constructing and operating the Project, and while preparing their Proposals, they should take into account the findings of such verification of the Site.

2.5.3. It will be assumed that Applicants will have accounted for all relevant factors, including technical data, market studies, location of the Project, conditions of the Site and its surrounding areas (including the site accessibility and the availability of power, water, labour and raw material, means of transportation, soil, sub-surface and climatic conditions) etc. while submitting their Proposals. Applicants will be deemed to have full knowledge of the Project, including the scope of work to be performed during the term of the JVA, irrespective of whether or not they have, (a) visited and inspected the Site, or (b) carried out any independent verifications and/or studies.

2.5.4. It shall be deemed that by submitting the Proposal, the Applicant has:

- (a) made a complete and careful examination of the RFP;
- (b) received all relevant information requested from YSRSCCL;
- (c) accepted the risk of inadequacy, error or mistake in the information provided in the RFP, and any other document/information relating to any of the matters referred to in Clause 2.5.1 furnished by or on behalf of YSRSCCL;
- (d) satisfied itself about all matters, things and information including matters referred to in Clause 2.5.1 hereinabove necessary and required for submitting an informed Proposal, execution of the Project in accordance with the RFP and

performance of all of its obligations thereunder;

- (e) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the RFP, or ignorance of any of the matters referred to in Clause 2.5.1 hereinabove shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from YSR SCL, or a ground for termination of the JVA (if the Applicant is declared as the Selected Applicant);
- (f) acknowledged that it does not have a Conflict of Interest; and
- (g) agreed to be bound by the undertakings provided by it under and in terms hereof.

2.5.5. YSR SCL 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 RFP or the Selection process, including any error or mistake therein or in any information or data given by YSR SCL.

2.6. **Verification and Disqualification**

2.6.1. YSR SCL reserves the right to verify all statements, information and documents submitted by the Applicant in response to the RFP and the Applicant shall, when so required by YSR SCL, make available all such information, evidence and documents as may be necessary for such verification. Any such verification, or lack of such verification, by YSR SCL shall not relieve the Applicant of its obligations or liabilities hereunder nor will it affect any rights of YSR SCL thereunder.

2.6.2. YSR SCL reserves the right to reject any Proposal and appropriate the Proposal Security if:

- (a) at any time, a material misrepresentation is made or uncovered, or
- (b) the Applicant does not provide, within the time specified by YSR SCL, the supplemental information sought by YSR SCL for evaluation of the Proposal.

Such misrepresentation/ improper response shall lead to the disqualification of the Applicant. If the Applicant is a Consortium, then the entire Consortium and each Member may be disqualified / rejected.

2.6.3. If such disqualification / rejection in accordance with Clause 2.6.2 above occurs after the Proposals have been opened and the Selected Applicant gets disqualified / rejected, then notwithstanding anything to the contrary contained herein, YSR SCL reserves the right to take any such measure as may be deemed fit in the sole discretion of YSR SCL, including, (a) awarding the Project to the Qualified Applicant who has obtained the second highest Techno-Commercial Score; or (b) annulment of the Selection process.

2.6.4. In case it is found during the evaluation or at any time before signing of the JVA or after its execution and during the period of subsistence thereof, that one or more of the Minimum Eligibility Criteria have not been met by the Applicant, or the Applicant has made material misrepresentation or has given any materially incorrect or false information, such Applicant shall be disqualified forthwith if not yet appointed as the

JV Partner either by issue of the LOA or entering into of the JVA, as the case may be, and if the Selected Applicant has already been issued the LOA or has entered into the JVA, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this RFP, be liable to be terminated, by a communication in writing by YSRSCCL to the Selected Applicant or the JV Partner, as the case may be, without YSRSCCL being liable in any manner whatsoever to the Selected Applicant or the JV Partner, as the case may be. In such an event, YSRSCCL shall be entitled to forfeit and appropriate the Proposal Security or Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy which YSRSCCL may have under this RFP and/ or the JVA, or otherwise.

2.6.5. YSRSCCL may, in its sole discretion and on grounds of reciprocity, disqualify An Applicant, if any or all of its constituents are entities incorporated in a country where an entity incorporated in India does not have similar rights of applying for contracts contemplated hereunder.

2.6.6. In the event that only a single Proposal is received pursuant to the Selection process or if only 1 (one) Applicant is found to satisfy the Minimum Eligibility Criteria, YSRSCCL, reserves the right to:

- (a) accept the Proposal for evaluation of the Techno-Commercial Proposal; or
- (b) reject the Proposal; or
- (c) take any other course of action in accordance with Applicable Law, including initiating a fresh Proposal processes.

B. DOCUMENTS

2.7. Contents of the RFP

2.7.1. This RFP comprises the disclaimer set forth hereinabove, the contents as listed below, and will additionally include any Addenda issued in accordance with Clause 2.9.

Invitation for Proposals

- Clause 1. Introduction
- Clause 2. Instructions to Applicants
- Clause 3. Evaluation of Proposals
- Clause 4. Fraud and Corrupt Practices
- Clause 5. Pre-Proposal Conference
- Clause 6. Miscellaneous

Appendices

- Appendix- 1. Registration Form
- Appendix- 2. Minimum Eligibility Criteria

Appendix- 3. Formats for Eligibility Proposal

Appendix- 4. Evaluation Criteria

Appendix- 5. Format of Techno-Commercial Proposal

Appendix- 6. Submission of Queries

Appendix- 7. Authorization for Attending the Pre-Proposal Conference

Appendix- 8. Format of the Letter of Acceptance

2.7.2. Applicants are expected to review all instructions, forms, terms and specifications in the RFP. Failure to furnish all information or documentation required under the RFP may result in rejection of their Proposals on account of being non-responsive.

2.8. Clarifications

2.8.1. Applicants requiring any clarification on the RFP may submit their queries in writing (in the format set out in Appendix-6 (in an MS Word file only) to YSRSCCL through e-mail in accordance with Clause 1.2.7. They should send in their queries on or before the date mentioned in the Schedule of Selection process specified in Clause 1.3. YSRSCCL shall endeavour to respond to the queries within the period specified therein, but no later than 7 (seven) days prior to the Proposal Due Date. The responses will be sent by e-mail on the registered e-mail addresses of the Applicants provided in the Registration Forms (“**Registered Email IDs**”) as well as published on the official website of YSRSCCL. YSRSCCL will forward all the queries and its responses thereto, to all Applicants without identifying the source of queries. YSRSCCL shall not entertain any question raised or clarifications from the Applicants after the conclusion of the Pre-Proposal Conference.

2.8.2. YSRSCCL shall endeavour to respond to the questions raised or clarifications sought by the Applicants. However, YSRSCCL reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause 2.8.2 shall be taken or read as compelling or requiring YSRSCCL to respond to any question or to provide any clarification.

2.8.3. YSRSCCL may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Applicants. All clarifications and interpretations issued by YSRSCCL shall be deemed to be part of the RFP. Verbal clarifications and information given by YSRSCCL or its employees or representatives shall not in any way or manner be binding on YSRSCCL.

2.9. Amendment of RFP

2.9.1. At any time prior to the Proposal Due Date, YSRSCCL may, for any reason, whether at its own initiative or in response to clarifications requested by An Applicant, modify the RFP by the issuance of Addenda.

2.9.2. Any Addendum thus issued hereunder shall be published on the official website of YSRSCCL.

2.9.3. In order to afford the Applicants a reasonable time for taking an Addendum into account, or for any other reason, YSR SCL may, in its sole discretion, extend the Proposal Due Date.

C. PREPARATION AND SUBMISSION OF PROPOSAL

2.10. Format and Signing of Proposal

2.10.1. The Applicant shall provide all the information sought under this RFP. YSR SCL will evaluate only those Proposals that are received in the required formats and complete in all respects. Incomplete and /or conditional Proposals shall be liable to rejection. YSR SCL may require the Applicant to provide clarifications and further information within 3 (three) days from YSR SCL's intimation to the Applicant (unless a longer period is allowed by YSR SCL in its sole discretion), failing which YSR SCL shall proceed with the evaluation of the Proposal without any further reference to the Applicant.

2.10.2. The Proposal and its copy shall be typed or written in indelible ink and signed by the authorised signatory of the Applicant who shall also initial each page, in blue ink. All the alterations, omissions, additions or any other amendments made to the Proposal shall be initialled by the Person(s) signing the Proposal. The Proposal shall contain page numbers.

2.11. Sealing and Marking of Proposals

2.11.1. The Applicant shall submit the Eligibility Proposal in the format specified at Appendix-3 (including the Annexures to Appendix-3) along with the copy of Registration Certificate as well as the documents as mentioned in Appendix-2, and seal it in an envelope and mark the envelope as "***ELIGIBILITY PROPOSAL FOR SELECTION OF JV PARTNER FOR DEVELOPMENT AND OPERATION OF STEEL PLANT IN YSR (KADAPA) DISTRICT, ANDHRA PRADESH, INDIA*** "

2.11.2. An original/ true copy and 1 (one) soft copy (in pdf format in one or more pen drives) of the Eligibility Proposal and documents accompanying the Eligibility Proposal, as specified in Clause 2.11.1 above, shall be placed in two separate envelopes and marked "***HARD COPY OF ELIGIBILITY PROPOSAL FOR SELECTION OF JV PARTNER FOR DEVELOPMENT AND OPERATION OF STEEL PLANT IN YSR (KADAPA) DISTRICT, ANDHRA PRADESH, INDIA***" and "***SOFT COPY OF ELIGIBILITY PROPOSAL FOR SELECTION OF JV PARTNER FOR DEVELOPMENT AND OPERATION OF STEEL PLANT IN YSR (KADAPA) DISTRICT, ANDHRA PRADESH, INDIA***", respectively. The soft copy of the Eligibility Proposal and documents accompanying the Eligibility Proposal shall be protected by a password, which shall be provided by the Applicants to YSR SCL through e-mail. In the event of any discrepancy between the original/ true copy and the soft copy of the Eligibility Proposal and the documents accompanying the Eligibility Proposal, the contents of the original/ true copy shall prevail.

2.11.3. An Applicant shall submit its Techno-Commercial Proposal in the format and as per requirements specified in Appendix-5 (including the Annexures to Appendix-5) along with the documents as specified in the Annexures to Appendix-5, in a sealed envelope marked as "***TECHNO-COMMERCIAL PROPOSAL FOR SELECTION OF JV PARTNER FOR DEVELOPMENT AND OPERATION OF STEEL PLANT IN YSR***

(KADAPA) DISTRICT, ANDHRA PRADESH, INDIA”.

2.11.4. An original/ true copy and 1 (one) soft copy (in .pdf format in one or more pen drive) of the Techno-Commercial Proposal and documents accompanying the Techno-Commercial Proposal, as specified in Clause 2.11.3 above, placed in two separate envelopes and marked “**HARD COPY OF TECHNO-COMMERCIAL PROPOSAL FOR SELECTION OF JV PARTNER FOR DEVELOPMENT AND OPERATION OF STEEL PLANT IN YSR (KADAPA) DISTRICT, ANDHRA PRADESH, INDIA**” and “**SOFT COPY OF TECHNO-COMMERCIAL PROPOSAL FOR SELECTION OF JV PARTNER FOR DEVELOPMENT AND OPERATION OF STEEL PLANT IN YSR (KADAPA) DISTRICT, ANDHRA PRADESH, INDIA**”, respectively. The soft copy of the Techno-Commercial Proposal and documents accompanying the Techno-Commercial Proposal shall be protected by a password, which shall be provided by the Qualified Applicants to YSR SCL, upon its request, through e-mail. In the event of any discrepancy between the original/true copy and the soft copy of the Techno-Commercial Proposal and the documents accompanying the Techno-Commercial Proposal, the contents of the original/ true copy shall prevail.

2.11.5. The four envelopes specified in Clauses 2.11.1, 2.11.2, 2.11.3 and 2.11.4 shall be placed in an outer envelope, which shall be sealed. Each of the five envelopes shall clearly bear the following identification:

“PROPOSAL FOR SELECTION OF JV PARTNER FOR DEVELOPMENT AND OPERATION OF STEEL PLANT IN YSR (KADAPA) DISTRICT, ANDHRA PRADESH, INDIA” and shall clearly indicate the name and address of the Applicant. In addition, the Proposal Due Date should be indicated on the right-hand top corner of each of the envelopes.

2.11.6. Each of the aforesaid envelopes shall be addressed to:

ATTN. OF:	Shri Shan Mohan S, IAS
DESIGNATION	Managing Director
ADDRESS:	YSR Steel Corporation Limited 10th Floor, APIIC Towers Plot No-1, IT Park Mangalagiri, Guntur District Andhra Pradesh – 522503 India
CONTACT :	Suda Srikanth +91 9513387589
E-MAIL ADDRESS	shanmohan.sagili@aphighgradeesteels.com and srikanth.suda@aphighgradeesteels.com

The Proposals shall be submitted to the aforesaid officer only through hand delivery.

2.11.7. If the envelopes are not sealed and marked as instructed above, YSR SCL assumes no responsibility for the misplacement or premature opening of the contents of the Proposal submitted and consequent losses, if any, suffered by the Applicant.

2.11.8. Proposals submitted by fax, telex, telegram or e-mail shall not be entertained and shall be rejected.

2.12. **Proposal Due Date**

2.12.1. Proposals specified in Clause 2.11.1 and 2.11.3 should be submitted before 16:00 hours (IST) on the Proposal Due Date at the address provided in Clause 2.11.6 in the manner and form as detailed in this RFP. A receipt thereof should be obtained from the Person specified at Clause 2.11.6.

2.12.2. YSRSCCL may, in its sole discretion, extend the Proposal Due Date by issuing an Addendum in accordance with Clause 2.9 uniformly for all Applicants. In such a case, all rights and obligations of YSRSCCL and Applicants previously subject to the original Proposal Due Date and/or time will thereafter be subject to such extended Proposal Due Date and/or time.

2.13. **Late Proposals**

Proposals received by YSRSCCL after the specified time on the Proposal Due Date shall not be eligible for consideration and shall be summarily rejected. It is clarified to the Applicants that YSRSCCL shall not be responsible, *inter alia*, for any postal/courier related delays in relation to submission of the Proposal and/or any other information/document required to be submitted by the Applicants.

2.14. **Contents of the Proposal**

2.14.1. The Proposal shall be furnished in the prescribed formats set out in this RFP along with all the information and documents (complete in all respects) as requested in this RFP.

2.14.2. The opening of Proposals and acceptance thereof shall be in accordance with this RFP.

2.15. **Modifications/ Substitution/ Withdrawal of Proposals**

2.15.1. The Applicant may modify, substitute or withdraw its Proposal after submission, provided that written notice of the modification, substitution or withdrawal is received by YSRSCCL prior to the closing time on the Proposal Due Date. No Proposal shall be modified, substituted or withdrawn by the Applicant on or after the closing time on the Proposal Due Date, and other than in accordance with the provisions of this RFP.

2.15.2. The modification, substitution or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 2.11, with the envelopes being additionally marked "**MODIFICATION**", "**SUBSTITUTION**" or "**WITHDRAWAL**", as appropriate.

2.15.3. Any alteration/ modification in the Proposal or additional information or material supplied, subsequent to the closing time on the Proposal Due Date, unless the same has been expressly sought for by YSRSCCL, shall be disregarded.

2.16. **Rejection of Proposals**

2.16.1. Notwithstanding anything contained in this RFP, YSRSCCL reserves the right to accept or reject any Proposal and to annul the Selection process and reject all Proposals, at

any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefor. In the event that YSRSCCL rejects or annuls all the Proposals, it may, in its discretion, conduct a fresh Proposal process altogether.

2.16.2. YSRSCCL reserves the right not to proceed with the Selection process at any time, without notice or liability, and to reject any Proposal without assigning any reasons.

2.17. **Validity of Proposals**

The Proposals shall be valid for a period of not less than 180 (one hundred and eighty) days from the Proposal Due Date (“**Proposal Validity Period**”). The validity of Proposals may be extended by mutual consent of the respective Applicants and YSRSCCL. In exceptional circumstances, prior to the expiration of the Proposal Validity Period, YSRSCCL may request Applicants to extend the Proposal Validity Period. The request and the responses will be made in writing. In the event that the Proposal Validity Period is extended, the Proposal Security shall also be extended accordingly. For the avoidance of any doubt, an extension of the Proposal Validity Period will not entitle An Applicant to modify its Proposal.

2.18. **Confidentiality**

Information relating to the examination, clarification, evaluation and recommendation of the Applicants shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising YSRSCCL in relation to, or matters arising out of, or concerning the Selection process. YSRSCCL will treat all information, submitted as part of Proposal, in confidence and will require all those who have access to such material to treat the same in confidence. YSRSCCL may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or YSRSCCL or as may be required by law or in connection with any legal process.

2.19. **Correspondence with the Applicant**

Save and except as provided in this RFP, YSRSCCL shall not entertain any correspondence with any Applicant in relation to acceptance or rejection of any Proposal.

D. PROPOSAL SECURITY

2.20. **Proposal Security**

2.20.1. The Applicant shall furnish as part of its Proposal, A Proposal Security referred to in Clauses 1.2.4 hereinabove in the form of a bank guarantee issued by a nationalised bank, or a Scheduled Bank in India having a Net Worth of at least INR 1,000 crore (INR one thousand crore), in favour of YSRSCCL in the format at Annexure G of Appendix-3 (the “**Bank Guarantee**”) and having a validity period of not less than 180 (one hundred eighty) days from the Proposal Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between YSRSCCL and the Applicant from time to time. In case the Bank Guarantee is issued by a foreign

bank outside India, confirmation of the same by any nationalised bank in India is required. For the avoidance of doubt, Scheduled Bank shall mean a bank as defined under Section 2(e) of the Reserve Bank of India Act, 1934.

- 2.20.2. Any Proposal not accompanied by the Proposal Security shall be summarily rejected by YSRSCCL as non-responsive.
- 2.20.3. Save and except as provided in Clause 1.2.4, the Proposal Security of unsuccessful Applicants will be returned by YSRSCCL, without any interest, as promptly as possible on acceptance of the Proposal of the Selected Applicant or when the Selection process is cancelled by YSRSCCL, and in any case within 60 (sixty) days from the expiry of the Proposal Validity Period.
- 2.20.4. The Selected Applicant's Proposal Security will be returned upon the Selected Applicant furnishing the Performance Security in accordance with the provisions hereof.
- 2.20.5. YSRSCCL shall be entitled to forfeit and appropriate the Proposal Security as Damages *inter alia* in any of the events specified in Clause 2.20.6 herein below. The Applicant, by submitting its Proposal pursuant to this RFP, shall be deemed to have acknowledged and confirmed that YSRSCCL will suffer loss and damage on account of withdrawal of its Proposal or for any other default by the Applicant during the period of Proposal validity as specified in this RFP. No relaxation of any kind on Proposal Security shall be given to any Applicant.
- 2.20.6. The Proposal Security shall be forfeited as Damages without prejudice to any other right or remedy that may be available to YSRSCCL under the RFP and/ or under the JVA, or otherwise, if
 - (a) An Applicant submits a non-responsive Proposal;
 - (b) An Applicant engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Clause 4 of this RFP;
 - (c) An Applicant withdraws its Proposal during the period of Proposal validity as specified in this RFP and as extended by mutual consent of the respective Applicant(s) and YSRSCCL;
 - (d) the Selected Applicant fails within the specified time limit:
 - (i) to sign and return the duplicate copy of LOA; or
 - (ii) to sign the JVA and /or any other definitive documents; or
 - (iii) to furnish the Performance Security within the period prescribed hereunder.
 - (e) the Selected Applicant, having signed the JVA and other definitive documents, commits any breach thereof prior to furnishing the Performance Security.

3. EVALUATION OF PROPOSALS

3.1. Opening and Evaluation of Proposals

- 3.1.1 YSRSCCL shall open the Eligibility Proposals on the date specified in Clause 1.3 and, at the place specified in Clause 2.11.6 and in the presence of the Applicants who choose to attend. In case the day for the opening of the Eligibility Proposals is an unscheduled holiday, the Eligibility Proposals will be opened on the next working day at the same time and place.
- 3.1.2 YSRSCCL shall open the Techno-Commercial Proposals of only the Qualified Applicants on the date specified in Clause 1.3 in the presence of the Qualified Applicants who may choose to attend. In case the day for the opening of the Techno-Commercial Proposals is an unscheduled holiday, the Techno-Commercial Proposals will be opened on the next working day at the same time and place.
- 3.1.3 YSRSCCL will subsequently examine and evaluate the Proposals in accordance with the provisions set out in this Clause 3.
- 3.1.4 To facilitate the evaluation of Proposals, YSRSCCL may, at its sole discretion, seek clarifications in writing from any Applicant regarding its Eligibility Proposal and/or Techno-Commercial Proposal. The Applicant shall be required to provide such clarification within a period of 3 (three) days from the date of YSRSCCL's request (unless a longer period is provided by YSRSCCL). If An Applicant does not provide clarifications sought by YSRSCCL within the prescribed time, YSRSCCL may proceed to evaluate the Proposal by construing the particulars requiring clarification to the best of its understanding, and the Applicant shall be barred from subsequently questioning such interpretation of YSRSCCL. In the event sufficient information is not available for YSRSCCL to evaluate the Proposal by construing the particulars requiring clarification to the best of its understanding, the Proposal shall be liable to be rejected.
- 3.1.5 Proposals for which a notice of withdrawal has been submitted in accordance with Clause 2.15 shall not be opened.
- 3.1.6 Applicants are advised that selection of Applicants will be entirely at the decision of YSRSCCL, which shall be final and binding, and in accordance with terms of this RFP including without limitation the compliance of the Applicant to the terms of Minimum Eligibility Criteria and the Evaluation Criteria. Applicants will be deemed to have understood and agreed that no explanation or justification on any aspect of the Selection process or selection will be given.
- 3.1.7 Any information contained in the Proposal shall not in any way be construed as binding on YSRSCCL, its agents, successors or assigns, but shall be binding against the Applicant if the Project is subsequently awarded to it on the basis of such information.

3.2 Tests of responsiveness

- 3.2.1 Prior to evaluation of Proposals, YSRSCCL shall determine whether each Proposal is responsive to the requirements of this RFP. A Proposal shall be considered responsive if:

- (a) it is received as per the format at Appendix– 3 and Appendix– 5;
 - (b) it is received by the Proposal Due Date including any extension thereof pursuant to Clause 2.12.2;
 - (c) it is signed, sealed, bound together in hard cover and marked as stipulated in Clauses 2.10 and 2.11;
 - (d) it is accompanied by the Proposal Security as specified in Clause 1.2.4;
 - (e) it is accompanied by the power of attorney as specified in Clauses 2.2.7;
 - (f) it contains all the information (complete in all respects) as requested in this RFP (in formats same as those specified);
 - (g) it does not contain any condition or qualification; and
 - (h) it is not non-responsive in terms hereof.
- 3.2.2 YSRSCCL reserves the right to reject any Proposal which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by YSRSCCL in respect of such Proposal.

3.3 **Evaluation of Eligibility Proposals**

- 3.3.1 Only those Eligibility Proposals which are considered to be responsive in terms of Clause 3.2 above will be evaluated. Such Applicants, who fulfill the Minimum Eligibility Criteria (and are not generally disqualified otherwise in accordance with the RFP) shall be shortlisted and declared as qualified Applicants (“**Qualified Applicants**”). YSRSCCL shall notify the Qualified Applicants that they have been declared as Qualified Applicants, through e-mail to their respective Registered E-mail IDs.

3.4 **Evaluation of Techno-Commercial Proposals**

- 3.4.1 YSRSCCL shall open the Techno-Commercial Proposals of only the Qualified Applicants on the date specified in Clause 1.3 in the presence of the Qualified Applicants who may choose to attend. The time and venue for the opening of the Techno-Commercial Proposals will be intimated by YSRSCCL not later than 2 (two) days prior to the date of the opening of the Techno-Commercial Proposals. In case the day for the opening of the Techno-Commercial Proposals is an unscheduled holiday, the Techno-Commercial Proposals will be opened on the next working day at the same time and place.
- 3.4.2 YSRSCCL will determine whether the Techno-Commercial Proposals of each Qualified Applicant is complete, unqualified and unconditional, and in accordance with the format and requirements set out in Appendix-5. In the event that the Techno-Commercial Proposals of a Qualified Applicant is not in accordance with the provisions of the RFP, such Techno-Commercial Proposals will be summarily rejected and shall not be evaluated.
- 3.4.3 Each Techno-Commercial Proposal which will be evaluated subject to Clauses 3.4.1

and 3.4.2, shall be assigned a techno-commercial score (on the basis of evaluation) in the manner set out in Appendix-4 (“**Techno-Commercial Score**”):

During the process of evaluation of the Techno-Commercial Proposals, each Qualified Applicant (whose Techno-Commercial Proposals is being evaluated subject to the provisions hereof) will be required to make a presentation on its Techno-Commercial Proposal, including covering aspects such as its relevant experience, proposed technology for the Project, how it fulfills the functionalities described in the scope of work set out under the RFP, its implementation methodology and the proposed preliminary business plan as provided under Clause 1.5.5. The date and time of the aforesaid presentation will be intimated to the concerned Applicants by YSRSCCL not later than 5 (five) days prior to the date of the presentation.

3.5 **Selection of Applicant**

- 3.5.1 Subsequent to the evaluation of the Techno-Commercial Proposals, the relevant Qualified Applicants shall finally be ranked in the descending order (i.e. highest to lowest) of their Techno-Commercial Scores.
- 3.5.2 The Qualified Applicant that obtains the highest Techno-Commercial Scores shall be the Selected Applicant. The Networth and the Credit Rating of the Applicant shall be used to assess the ability to achieve financial closure for the project. The final selection of the JV partner shall be based on the assessment of the ability to achieve the financial closure for the project
- 3.5.3 In the event that two or more Qualified Applicants attain the (same) highest Techno-Commercial Score (“**Tie-Applicants**”), YSRSCCL shall identify the Selected Applicant on the basis of the Net Worth of the Applicant i.e. the concerned Tie-Applicant who has higher Net Worth as set out in their respective Proposals, shall be declared as the Selected Applicant.
- 3.5.4 After identification of the Selected Applicant, a letter of acceptance will be issued, in duplicate, by YSRSCCL to the Selected Applicant, substantially in the format set out in Appendix-8 (“**LOA**”), and the Selected Applicant shall, within 7 (seven) days of the receipt of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof and, fulfill any condition set out in the LOA within the time limit prescribed thereunder. In the event the duplicate copy of the LOA duly signed by the Selected Applicant is not received by the stipulated date, YSRSCCL may, unless it provides in writing, an extension of time for submission thereof, without prejudice to any of its rights under the RFP or law or equity, withdraw the LOA and appropriate the Proposal Security of such Selected Applicant as the mutually agreed genuine pre-estimate loss and damage suffered by YSRSCCL on account of failure of the Selected Applicant to acknowledge the LOA.
- 3.5.5 After acknowledgement of the LOA as aforesaid by the Selected Applicant, it shall execute the JVA and other definitive documents within the maximum period prescribed in the LOA, subject to the fulfilment of conditions prescribed therein.
- 3.5.6 YSRSCCL be entitled to place the Selected Applicant on a holiday list/ black list, in the event that the Selected Applicant does not return the signed LOA within the period specified in Clause 3.5.4 above, or refuses to enter into the JVA pursuant to the

Selection process. Such Applicants shall not be eligible *inter alia* to participate in any subsequent Proposal processes conducted for the Project. Further in such a case, YSRSCCL reserves the right to take any such measure as may be deemed fit in the sole discretion of YSRSCCL, including, awarding the Project to the Qualified Applicant who has obtained the second highest Techno-Commercial Score.

3.6 Contacts during Proposal Evaluation

Proposals shall be deemed to be under consideration immediately after they are opened and until such time YSRSCCL makes official intimation of award/ rejection to the Applicants. While the Proposals are under consideration, Applicants and/ or their representatives or other interested parties are advised to refrain, save and except as required under the RFP, from contacting by any means, YSRSCCL and/ or their employees/ representatives on matters related to the Proposals under consideration.

4. FRAUD AND CORRUPT PRACTICES

- 4.1 The Applicants and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Selection process and subsequent to the issue of the LOA and during the subsistence of the JVA. Notwithstanding anything to the contrary contained herein, or in the LOA or the JVA, YSRSCCL may reject A Proposal, withdraw the LOA, or terminate the JVA, as the case may be, without being liable in any manner whatsoever to the Applicant if it determines that the Applicant has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Selection process. In such an event, YSRSCCL shall be entitled to forfeit and appropriate the Proposal Security or Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy that may be available to YSRSCCL under the RFP and/ or the JVA, or otherwise.
- 4.2 Without prejudice to the rights of YSRSCCL under Clause 4.1 hereinabove and the rights and remedies which YSRSCCL may have under the LOA or the JVA, or otherwise if An Applicant is found by YSRSCCL to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Selection process, or after the issue of the LOA or the execution of the JVA, such Applicant shall not be eligible to participate in any RFP issued by YSRSCCL during a period of 2 (two) years from the date such Applicant is found by YSRSCCL to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.
- 4.3 For the purposes of this Clause 4, the following terms shall have the meaning hereinafter respectively assigned to them:
- (a) **“corrupt practice”** means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Selection process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of YSRSCCL who is or has been associated in any manner, directly or indirectly, with the Selection process or the LOA or has dealt with matters concerning the JVA or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of YSRSCCL, shall be deemed to constitute influencing the actions of a Person connected with the Selection process); or (ii) save and except as permitted under the Clause 2.2.11 of this RFP, engaging in any manner whatsoever, whether during the Selection process or after the issue of the LOA or after the execution of the JVA, as the case may be, any person in respect of any matter relating to the Project or the LOA or the JVA, who at any time has been or is a legal, financial or technical adviser of YSRSCCL in relation to any matter concerning the Project;
 - (b) **“fraudulent practice”** means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Selection process;

- (c) “**coercive practice**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Selection process;
- (d) “**undesirable practice**” means (i) establishing contact with any person connected with or employed or engaged by YSRSCCL with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Selection process; or (ii) having a Conflict of Interest; and
- (e) “**restrictive practice**” means forming a cartel, or indulging in Proposal rigging, collusive applications or arriving at any understanding or arrangement among Applicants with the objective of restricting or manipulating a full and fair competition in the Selection process.

5. PRE-PROPOSAL CONFERENCE

- 5.1 Pre-Proposal Conference of the potential Applicants shall be convened at the designated date, time and place. The Applicants shall have the option to participate in the Pre-Proposal Conference either physically, or virtually through video conference (the details of which would be shared by YSR SCL at a later date, but prior to the Pre-Proposal Conference).
- 5.2 A maximum of 5 (five) representatives of each Applicant shall be allowed to participate in the Pre-Proposal Conference, subject to registration by the relevant Applicant for attending the Pre-Proposal Conference. For the purposes of completing the registration for attending the Pre-Proposal Conference, each Applicant shall submit an authorization letter in the format set out in Appendix-7, to the Person set out below through an email, at least 3 (three) days prior to the date of the Pre-Proposal Conference.
- Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers
Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India
Mobile: +91 9513387589
Email: shanmohan.sagili@aphighgradeesteels.com and
srikanth.suda@aphighgradeesteels.com
- 5.3 In case the day for the Pre-Proposal Conference is an unscheduled holiday, the Pre-Proposal Conference will be convened on the next working day at the same time and place/ e-platform, as the case may be.
- 5.4 During the course of Pre-Proposal Conference(s), the Applicants will be free to seek clarifications and make suggestions for consideration of YSR SCL. YSR SCL shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Selection process.

6. MISCELLANEOUS

- 6.1 The Selection process shall be governed by, and construed in accordance with, the laws of India and the Courts of Andhra Pradesh shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Selection process.
- 6.2 YSRSCCL, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- (a) suspend and/ or cancel the Selection process and/ or amend and/ or supplement the Selection process or modify the dates or other terms and conditions relating thereto;
 - (b) consult with any Applicant in order to receive clarification or further information;
 - (c) qualify or not to qualify any Applicant and/ or to consult with any Applicant in order to receive clarification or further information;
 - (d) retain any information and/ or evidence submitted to YSRSCCL by, on behalf of, and/ or in relation to any Applicant; and/ or
 - (e) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Applicant.
- 6.3 It shall be deemed that by submitting the Proposal, the Applicant agrees and releases YSRSCCL, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection with the Selection process and waives, to the fullest extent permitted by Applicable Laws, any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.
- 6.4 The RFP and the JVA are to be taken as mutually explanatory.

Appendices

APPENDIX – 1

REGISTRATION FORM

(Refer Clause 2.1.1 (a))

YSR Steel Corporation Limited

(An Undertaking of the Government of Andhra Pradesh)

Registration Form for Applicants pursuant to the request for proposal for selection of a joint venture partner for development and operation of a steel plant in YSR (Kadapa) district, Andhra Pradesh, India.

S. No.	Particulars	Details (To be Provided by the Applicant)
1.	Name of the company	
2.	Legislation under which the company is incorporated	
3.	Address for correspondence	
4.	Name of the contact Person	
5.	Designation of the contact Person	
6.	Email-id of the contact Person	
7.	Phone number of the contact Person	
8.	Demand Draft number/ unique transaction reference number (UTR No.) for payment of Proposal Processing Fee (<i>please also specify the name and branch of the bank</i>)	
9.	Date of the aforesaid Demand Draft/ Online Transfer	

For and on behalf of [*insert name of the company*]

(Signature)

Name:

Designation:

Date (DD/MM/YYYY):

APPENDIX – 2

MINIMUM ELIGIBILITY CRITERIA

(Refer Clause 2.2.14)

In order to be eligible to submit A Proposal (in accordance with the RFP) for the Project, the Applicants are required to satisfy each of the criteria set out below under paragraphs 1 and 2 respectively.⁵

1. Minimum technical capacity of the Applicant (“Technical Capacity”)

- (a) The Applicant shall have, in 10 (ten) years immediately preceding the Proposal Due Date, (i) set up (as the project owner), and/or (ii) acquired, and operated, at least 1 (one) steel manufacturing plant (in India or overseas) with a minimum capacity of 1.5 MTPA of crude steel and/or finished product(s). This shall be evidenced by certificate issued by a statutory auditor of the Applicant.

2. Minimum financial capacity of the Applicant (“Financial Capacity”)

- (a) The Applicant shall have a positive Net Worth of at least INR 750 crores (Indian Rupees seven hundred and fifty crores) as evidenced by its audited financial statements⁶ not older than 12 (twelve) months immediately preceding the Proposal Due Date.⁷

⁵ **Note to Applicants:** In the event that the Members of a Consortium are Associates/group companies, there shall be no double counting of their own (and their Associates’ credentials) for the purposes of satisfaction of the Minimum Eligibility Criteria.

⁶ In the event that An Applicant or a Member of a Consortium is a foreign entity having its financial statements recorded in any currency other than INR, such Applicant will need to specify (in its Proposal), its Net Worth in INR converted in accordance with the reference rate of the Reserve Bank of India (published on its official website) as of the last date of the relevant financial year. In the event, the Reserve Bank of India did not publish the reference rate for such date with respect to any currency in which the financial statements are recorded for any Applicant or Member of a Consortium, such Applicant or Member of a Consortium will be required to specify the aforesaid amounts in INR converted in accordance with the currency conversion rate last published by the Reserve Bank of India in such year.

⁷ In the event that An Applicant or Member of a Consortium is a foreign entity having its financial statements in the language other than English, such Applicant or Member of a Consortium shall furnish the duly notarized and translated copy of the financial statements.

APPENDIX – 3

FORMATS FOR ELIGIBILITY PROPOSAL

(Refer Clause 2.11.1)

**ANNEXURE A OF APPENDIX – 3
LETTER COMPRISING THE PROPOSAL**

[On the letterhead of the Applicant]

Date: [●]

Shri Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers
Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India

Sir,

Subject: Proposal for the selection of a joint venture partner for development and operation of a steel plant in YSR (Kadapa) District, Andhra Pradesh.

1. With reference to your request for proposal No. [●] issued on [●] for selection of a joint venture partner for the setting up a steel plant in the YSR (Kadapa) District, Andhra Pradesh, India, we, having examined the RFP and understood their contents, hereby submit our Proposal for the Project.
2. We acknowledge that YSRSCCL would be relying on the information provided in the Proposal and the documents accompanying such Proposal for selection of the Applicant for the Project. We certify that all information provided in the Proposal (including all documents submitted with the Proposal) is true and correct, and nothing has been omitted which renders such information misleading. Further, copies of all documents accompanying such Proposal are true copies of their respective originals.
3. The Proposal is unconditional and unqualified.
4. We certify that we/ our Consortium have successfully completed the Project Registration. The details of the Registration Certificate is set out below:
 - (a) Registration Certificate number: [●]
 - (b) Date of issuance of the Registration Certificate: [●]
 - (c) Name of the entity in whose favour the Registration Certificate is issued: [●]
5. This statement is made for the express purpose of evaluation of our Proposal.
6. We shall make available to YSRSCCL, any additional information that YSRSCCL may find necessary or require to supplement or authenticate the Proposal.
7. We acknowledge the right of YSRSCCL to reject our Proposal without assigning any reason or otherwise, and we hereby waive, to the fullest extent permitted by Applicable

Law, our right to challenge the same on any account whatsoever.

8. We declare that:
 - (a) we have examined, and have no reservations to, the RFP, including any Addenda issued by YSRSCCL;
 - (b) we do not have any Conflict of Interest in relation to the Selection process;
 - (c) we have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4 of the RFP, in respect of the, (i) Selection process, and (ii) any other RFP/Proposal process run by, or any agreement entered into with, any other public sector enterprise or any Government Instrumentality (in India or elsewhere); and
 - (d) we have taken steps to ensure that in conformity with the provisions of Clause 4 of the RFP, no Person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
9. We understand that YSRSCCL may cancel the Selection process at any time and, that YSRSCCL is neither bound to accept any Proposal that it may receive nor invite the Applicants to Proposal for the Project, without incurring any liability to the Applicants, in accordance with Clause 2.16 of the RFP document.
10. We declare that we/ any Member of the Consortium, or our/ its Associates are not a Member of a/ any other Consortium submitting A Proposal for the Project.
11. We certify that we/ any Member of the Consortium, or our/ its Associates have not been convicted by a court of law or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to fulfil our obligations under the RFP and/or JVA, or which relates to a grave offence that outrages the moral sense of the community.
12. We certify that in the 3 (three) years preceding the Proposal Due Date, we and/or any of the Consortium Members and/or any of our/ their Associates have not:
 - (a) been expelled from any project or contract by any government or Government Instrumentality; or
 - (b) had any contract terminated by any government or Government Instrumentality for breach of contract.
13. We further certify that in regard to matters relating to security and integrity of the country, we and/or any of the Consortium Members and/or any of our/ their Associates have not been charge-sheeted by any Government Instrumentality or convicted by a court of law for any offence committed by us or by any of our Associates.
14. We further certify that no investigation by a regulatory authority is pending either against us or against our Associates or against our CEO or any of our directors/ key managerial personnel.

15. We undertake that in case due to any change in facts or circumstances during the Selection process, we are attracted by the provisions of disqualification in terms of the RFP, we shall intimate YSR SCL of the same immediately.
16. We acknowledge that we are qualified on the basis of the Minimum Eligibility Criteria and shall own the subscribed and paid-up equity of the JVC under and in accordance with the provisions of the RFP and the JVA. We further agree and acknowledge that we shall comply with the obligations as may be contained in the JVA in respect of change in ownership.
17. We acknowledge and agree that in the event that a Consortium Member or an Associate whose Technical Capacity and/ or Financial Capacity was taken into consideration for the purposes of satisfying the Minimum Eligibility Criteria under and in accordance with the RFP, ceases to be a Member / an Associate, where such change occurs prior to the issuance of the LOA (or otherwise while such Proposals continue to remain valid), we shall inform YSR SCL forthwith along with all relevant particulars, and YSR SCL may, in its sole discretion, disqualify us/ our Consortium and/or withdraw the LOA, as the case may be. We further acknowledge and agree that, subject to the other provisions of the JVA, in the event such entity ceases to a Member / Associate after signing of the JVA, it would be deemed to be a breach of the JVA, and YSR SCL would, in its sole discretion, be entitled to terminate the JVA without being liable to us in any manner whatsoever.
18. We understand and acknowledge that the Selected Applicant will be required to enter into the JVA⁸, and we undertake to comply with such requirements.
19. We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by YSR SCL in connection with the selection of the Applicant, or in connection with the Selection process itself, in respect of the above mentioned Project and the terms and implementation thereof.
20. We have studied all RFP (along with all information and documents provided by YSR SCL) carefully and also independently surveyed the Site. We understand that we shall have no claim, right or title arising out of any documents or information provided to us by YSR SCL or in respect of any matter arising out of it.
21. We offer A Proposal Security of INR [●] (Indian Rupees [●] only) to YSR SCL in accordance with the RFP. We understand that in case we are declared as the Selected Applicant and we fail to submit the Performance Security in accordance with the RFP, YSR SCL may, without prejudice to its other rights under the RFP and the JVA or at law or equity, appropriate the Proposal Security as the mutually agreed genuine pre-estimate loss and damage suffered by YSR SCL.
22. The Proposal Security is in the form of a Bank Guarantee in accordance with the format specified in the RFP.
23. {Our Consortium has nominated [●] as the Lead Member, for the purposes of the RFP. }

⁸ **Note to Applicants:** The structure of the JVC, as to whether YSR SCL itself would become the JVC or a new JVC would be incorporated by YSR SCL and the JV Partner, would be finalized by YSR SCL prior to execution of the JVA.

24. We understand that in case we are declared as the Selected Applicant, we shall be required to furnish a Performance Security in accordance with the terms of the RFP.
25. We agree and understand that the Proposal is subject to the provisions of the RFP. In no case, we shall have any claim or right of whatsoever nature if the Project is not awarded to us or our Proposal is not opened or is rejected/disqualified.
26. We agree to keep this offer valid until the expiry of 180 (one hundred eighty) days from the Proposal Due Date.
27. We agree and undertake to abide by all the terms and conditions of the RFP.
28. We agree and understand that we shall be required to provide such clarification as may be sought by YSRSCCL within the specified timeline.
29. In the event that we declared as the Selected Applicant, subject to the provisions of the JVA, we agree and undertake to be liable for performance of all obligations of the JV Partner under the JVA.

The capitalized terms used and not defined in this letter shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFP.

Yours faithfully,

For and on behalf of [*insert name of the Applicant*]

(Signature of the Authorized Signatory)
Name of the Authorised Signatory:
Designation of the Authorised Signatory:

**ANNEXURE B OF APPENDIX – 3
GENERAL INFORMATION OF APPLICANT**

1.
 - (a) Name:
 - (b) Country of incorporation/registration:
 - (c) Address of the corporate headquarters:
 - (d) Address of the registered office:
 - (e) In case an entity incorporated/registered outside India, address of its principal branch/establishment in India, if any,
 - (f) Date of incorporation and/ or commencement of business:
 - (g) Nature of the entity (company/trust/society etc.):
2. Brief description (in not more than 1 (one) page) of the entity including details of its main lines of business and proposed role and responsibilities for the concerned Project in the event declared as the Selected Applicant:
3. Details of individual(s) who will serve as the point of contact/ communication for YSRSCCL:
 - (a) Name:
 - (b) Designation:
 - (c) Address:
 - (d) Telephone Number:
 - (e) E-Mail Address:
4. Particulars of the Authorized Signatory of the Applicant:
 - (a) Name:
 - (b) Preceding
 - (c) Designation:
 - (d) Address:
 - (e) Phone Number:
 - (f) E-Mail Address:
5. In case of a Consortium:

- (a) The information above (Para 1-4) should be provided for all the Members.
- (b) Information regarding the role of each Member should be provided as per table below:

S. No.	Name of Member	Role
1.		
2.		

- (c) The following information shall be provided for each Member:

Name of Applicant/ Member of Consortium:

S. No.	Criteria	Yes	No
1.	Has the Applicant/ constituent of the Consortium/its Associate been barred or blacklisted by the any government agency or authority in India, the government of the jurisdiction of the Applicant or Members where they are incorporated or the jurisdiction of their principal place of business, any international financial institution such as the World Bank Group, Asian Development Bank, African Development Bank, Inter-American Development Bank, Asian Infrastructure Investment Bank etc. or the United Nations or any of its agencies or any entity controlled by it, from participating in any project.		
2.	If the answer to 1 is yes, does the bar subsist as on the Proposal Due Date.		

6. A statement by the Applicant and each of the Members (where applicable) or any of its Associates disclosing material non-performance or contractual non-compliance in past projects, contractual disputes and litigation/arbitration in the past 3 (three) years is given below.

(Attach extra sheets, if necessary.)

** All provisions contained in curly parenthesis shall be suitably modified by the Applicant to reflect the particulars relating to such Applicant*

Note to Applicants: In the event that any Applicant/ Member has relied upon the experience of its Associate in accordance with the provisions of the RFP:

- A. the information requested under paragraphs 1 – 5 above of this Annexure B of Appendix-3 shall be submitted for each Associate whose experience has been relied upon by the Applicant / Member;
- B. the Applicant/ Member shall submit a certificate issued substantially in the format prescribed in Annexure C of Appendix-3, evidencing that such entity is an Associate of the Applicant/ Member.

ANNEXURE C OF APPENDIX – 3
CERTIFICATE FROM THE STATUTORY AUDITOR EVIDENCING
RELATIONSHIP OF ASSOCIATE

(Refer Clause 2.2.14)

[On the letterhead of the statutory auditor of the Applicant/ Member]

Date: [●]

Shri Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers
Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India

Subject: Confirmation of the details of *[insert name of the Associate]*, an Associate of *[insert name of Applicant/ Member]*

Sir,

1. This has reference to the request for proposal number [●] dated [●] (“RFP”) issued by the YSR Steel Corporation Limited.
2. We confirm that *[insert name of the Associate]* is an Associate of *[insert name of Applicant./ Member]* as per the definition of ‘Associate’ provided under the RFP.
3. A brief description of the facts by which we have concluded that *[insert name of the Associate]* is an Associate of *[insert name of Applicant/ Member]* as per the definition of ‘Associate’ provided under the RFP are set out below:

[Description, including necessary shareholding pattern and structure to be incorporated by the Statutory Auditor]

Sincerely,

(Signature of authorized signatory)

Name of authorized signatory:

Designation of authorized signatory:

Registration/membership number of authorized signatory:

Place:

Name and Seal of the Firm:

Acknowledged by:
For and on behalf of [*insert name of the aforesaid entity*]

(Signature of the authorized signatory)

Name:

Designation:

Date:

ANNEXURE D OF AEPENDIX – 3⁹
POWER OF ATTORNEY IN FAVOUR OF A MEMBER OF THE CONSORTIUM
TO ACT ON BEHALF OF THE CONSORTIUM

(Refer Clause 2.2.7)

Whereas, the YSR Steel Corporation Limited, an undertaking of the Government of Andhra Pradesh (“**YSRSCL**”) has invited Proposals from qualified Applicants for selection of a joint venture partner for the development of a steel plant in YSR (Kadapa) district, Andhra Pradesh, India (“**Project**”) pursuant to YSRSCl’s Request for Proposal No. [●] dated [●] (“**RFP**”). Whereas, [*insert name of all Members of the Consortium*] (collectively the “**Consortium**”) being Members of the Consortium are interested in applying for the Project in accordance with the terms and conditions of the RFP and other connected documents in respect of the Project;

AND

Whereas, it is necessary for the Members of the Consortium to designate one of them to act for and on behalf of the Consortium, and vest in such member all necessary powers 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 Proposal for the Project and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

We, [*insert name and registered office address of the other Member*] (hereinafter referred to as the “**Principal**”) do hereby irrevocably designate, nominate, constitute, appoint and authorize [*insert name of the Lead Member in whose favour power of attorney is being issued*], having its registered office at [*insert registered office address of the Lead Member in whose favor power of attorney issued*], being the Lead Member of the Consortium, and, true and lawful attorney of the Consortium (the “**Attorney**”), and hereby irrevocably authorize the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and the Principal, (i) during the Selection process and, (ii) during the execution of the Project in the event the Consortium is awarded the Project, and in this regard, to do for and 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 submission of its Proposal for the Project, including but not limited to signing and submission of all applications, the Proposal, and other documents and writings, accept the letter of award, participate in Applicants’ meetings and other conferences, respond to queries, submit information/documents, sign and execute contracts and undertakings consequent to acceptance of the Proposal of the Consortium and generally to represent the Consortium in all its dealings with YSRSCl, and/ or any other person appointed by YSRSCl or any person, in all matters in connection with or relating to or arising out of the Consortium’s Proposal for the Project and/ or upon award thereof till the joint venture agreement is entered into with the YSRSCl.

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully 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

⁹ **Note to Applicants:** Only applicable if the Applicant is a Consortium

said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium and shall be binding on us/Consortium.

IN WITNESS WHEREOF WE THE PRINCIPAL ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS _____ DAY OF _____ 20 ____.

For:

(Signature)

(Name & Title)

{To be executed by all the Members of the Consortium. Please modify the signature block appropriately}

Accepted by: [*Insert name of the Lead Member in whose favour power of attorney is issued*]

(Signature)

(Name & Title)

Witnesses:

- 1.
- 2.

Person identified by me/personally appeared before me/signed before me/Attested/Authenticated*

(*Notary to specify as applicable)

(Signature, Name and Address of the Notary)

Seal of the Notary

Registration Number of the Notary

Date:

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).*
2. *The executant shall submit for verification, the relevant extract of the charter documents and/or documents such as a resolution of the board of the executant, for demonstrating that the person executing this Power of Attorney for and on behalf of the executant has been validly authorized by executant in this regard.*
3. *In the event that the Power of Attorney is executed in India, the Power of Attorney should be executed on a non-judicial stamp paper of appropriate value as relevant to the place of execution.*
4. *For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by members from countries that have signed the Hague Legislation Convention, 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.*

**ANNEXURE E OF APPENDIX – 3
AUTHORITY FOR SIGNING OF PROPOSAL**

(Refer Clause 2.2.7)

POWER OF ATTORNEY¹⁰

Know all men by these presents, we, [*insert name of the company*], having our registered office at [*insert address*] do hereby irrevocably constitute, nominate, appoint and authorize [*insert name*], son/daughter/wife of [*insert name*] and presently residing at [*insert address*], who is presently employed with us and holding the position of [*insert designation*], as our true and lawful attorney (hereinafter referred to as the “**Attorney**”) to do in our name, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Proposal for selection of a joint venture partner for the development and operation of steel plant in YSR (Kadapa) district, Andhra Pradesh, India (“**Project**”) pursuant to the Request for Proposal No. [●] dated [●] (“**RFP**”) issued by YSR Steel Corporation Limited, an undertaking of the Government of Andhra Pradesh (“**YSRSCL**”), including but not limited to, signing and submission of all applications, Proposal, and other documents and writings, participate in Applicants’ meetings and other conferences and providing information /responses to YSRSCCL, representing us in all matters before YSRSCCL, signing and execution of all contracts/undertakings consequent to acceptance of our Proposal including the letter of acceptance, and generally dealing with YSRSCCL in all matters in connection with or relating to or arising out of our Proposal for the said Project and/or upon award thereof to us and/or till the entering into of the joint venture agreement and/or other definitive documents in connection with the Project.

AND

We hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully 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.

IN WITNESS WHEREOF WE, _____, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY _____ OF _____, 20____.

For

(Signature)

¹⁰ In the event, the Applicant is a Consortium, this power of attorney would have to be issued by the Member other than the Lead Member.

Accepted by:

(Signature)
(Name & Title)

Witnesses:
(Name, Title and Address)

- 1.
- 2.

Person identified by me/personally appeared before me/signed before
me/Attested/Authenticated*
(*Notary to specify as applicable)

(Signature, Name and Address of the Notary)
Seal of the Notary:
Registration Number of the Notary:
Date:

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).*
2. *The executant shall submit for verification, the relevant extract of the charter documents and/or documents such as a resolution of the board or shareholder of the executant, for demonstrating that the Person executing this Power of Attorney for and on behalf of the executant has been validly authorized by executant in this regard.*
3. *The Power of Attorney should be executed on a non-judicial stamp paper of appropriate value as relevant to the place of execution.*
4. *For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by members from countries that have signed the Hague Legislation Convention, 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.*

ANNEXURE F OF APPENDIX – 3
FORMAT FOR BOARD RESOLUTION AUTHORITY FOR SIGNING OF
PROPOSAL

“**RESOLVED THAT** the Company may, either individually or as a member of any consortium(s), submit Proposal(s) for developing and operating a steel plant in YSR (Kadapa) district, Andhra Pradesh, India pursuant to the Request for Proposal No. [●] dated [●] issued by YSR Steel Corporation Limited, an undertaking of the Government of Andhra Pradesh.”

“**RESOLVED FURTHER THAT** any one of the following Persons namely, [*insert names and designations of the relevant persons*] (hereinafter collectively and individually referred to as “**Authorized Persons**”) be and are hereby severally authorized to do for and on behalf of the Company, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of Company’s Proposal(s) (either individually or as a member of any consortium(s)), for developing and operating a steel plant in YSR (Kadapa) district, Andhra Pradesh, India, pursuant to the Request for Proposal No. [●] dated [●] issued by YSR Steel Corporation Limited, an undertaking of the Government of Andhra Pradesh (“**YSRSCL**”), including but not limited to, signing and submission of all applications, Proposal(s), and other documents and writings, participate in Applicants’ meetings and other conferences and providing information /responses to YSRSCCL, representing the Company in all matters before YSRSCCL, signing and execution of all contracts/undertakings consequent to acceptance of Company’s Proposal(s) including the letter of award, and generally dealing with YSRSCCL in all matters in connection with or relating to or arising out of Company’s Proposal(s) and/or upon award thereof to the Company and/or till the entering into of the joint venture agreement and/or any other definitive agreement(s).

“**RESOLVED FURTHER THAT** copy of the aforesaid resolutions, duly certified to be true by any of the aforesaid Authorized Persons, be furnished to YSRSCCL.”

ANNEXURE G OF APPENDIX – 3
FORMAT FOR PROPOSAL SECURITY (BANK GUARANTEE)

(Refer Clause 2.20)

(To be executed on stamp paper of appropriate value)

B.G. No.

Dated:

1. In consideration of you, YSR Steel Corporation Limited, an undertaking of the Government of Andhra Pradesh, having its office at Guntur, Andhra Pradesh (the “**YSRSCL**”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Proposal of _____, [a company incorporated under the provisions of the (Indian) Companies Act (1850 or 1866 or 1882 or 1913 or 1956 or 2013) or other equivalent laws in other jurisdictions], and having its registered office at _____, {and acting on behalf of its Consortium comprising of [*insert the name of Consortium Members*]} (hereinafter referred to as the “**Applicant**” which expression shall unless it be repugnant to the subject or context thereof include its/their executors administrators, successors and assigns), for selection of a joint venture partner for the development and operation of a steel plant in YSR (Kadapa) district, Andhra Pradesh, India (“**Project**”) located in [*insert location*] pursuant to YSRSCCL’s Request for Proposal No. [●] dated [●] along with its appendices, and the addenda and clarifications (if any) issued by YSRSCCL (“**RFP**”), we [*insert name of the bank*] having our registered office at _____ and one of its branches at _____ (“**Bank**”), at the request of the Applicant, do hereby in terms of Clause 1.2.4 of the RFP, irrevocably, unconditionally and without reservation, guarantee the due and faithful fulfilment and compliance of the terms and conditions of the RFP by the said Applicant and unconditionally and irrevocably undertake to pay forthwith to YSRSCCL an amount of Rs. [●] (Indian Rupees [●] only) as Proposal security (“**Proposal Security**” or “**Guarantee**”) as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Applicant if the Applicant shall fail to fulfil or comply with all or any of the terms and conditions contained in the RFP.
2. Any such written demand made by YSRSCCL stating that the Applicant is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the RFP shall be final, conclusive and binding on the Bank.
3. We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Applicant or any other person and irrespective of whether the claim of YSRSCCL is disputed by the Applicant or not merely on the first demand from YSRSCCL stating that the amount claimed is due to YSRSCCL by reason of failure of the Applicant to fulfil and comply with the terms and conditions contained in the RFP including failure of the said Applicant to keep its Proposal open during the

Proposal Validity Period as set forth in the said RFP for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards amount due and payable by the Bank under this Guarantee.

4. This Guarantee shall be irrevocable and remain in full force for a period of 180 (one hundred and eighty) days from the Proposal Due Date inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between YSRSCCL and the Applicant, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.
5. We, the Bank, further agree that YSRSCCL shall be the sole judge to decide as to whether the Applicant is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the RFP including, inter alia, the failure of the Applicant to keep its Proposal open during the Proposal Validity Period set forth in the said RFP, and the decision of YSRSCCL that the Applicant is in default as aforesaid shall be final and binding on us, notwithstanding any differences between YSRSCCL and the Applicant or any dispute pending before any court, tribunal, arbitrator or any other authority.
6. This Guarantee (and the benefits hereunder) shall not be affected by, (a) any change in the constitution (including but not limited to any merger, acquisition, amalgamation, restructuring, reorganization etc.) of the Applicant, or (b) commencement of corporate insolvency resolution process or liquidation process, in respect of the Applicant, under the Insolvency and Bankruptcy Code, 2016, and this Guarantee will be fully enforceable during this currency.
7. In order to give full effect to this Guarantee, YSRSCCL shall be entitled to treat the Bank as the principal debtor. YSRSCCL shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said RFP or to extend time for submission of the Proposals or the Proposal Validity Period or the period for conveying acceptance of letter of acceptance by the Applicant or the period for fulfilment and compliance with all or any of the terms and conditions contained in the said RFP by the said Applicant or to postpone for any time and from time to time any of the powers exercisable by it against the said Applicant and either to enforce or forbear from enforcing any of the terms and conditions contained in the said RFP or the securities available to YSRSCCL, and the Bank shall not be released from its liability under these presents by any exercise by YSRSCCL of the liberty with reference to the matters aforesaid or by reason of time being given to the said Applicant or any other forbearance, act or omission on the part of YSRSCCL or any indulgence by YSRSCCL to the said Applicant or by any change in the constitution of YSRSCCL or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its such liability.
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.
9. We undertake to make the payment on receipt of YSRSCCL's notice of claim on us addressed to [*insert name of Bank along with branch address*] and delivered at our above branch or sent through an email to [*insert email address of the Bank*].

10. It shall not be necessary for YSRSCCL to proceed against the said Applicant before proceeding against the Bank and the Guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which YSRSCCL may have obtained from the said Applicant or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealized.
11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of YSRSCCL in writing.
12. **NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS GUARANTEE, OUR LIABILITY UNDER THIS GUARANTEE SHALL BE RESTRICTED TO AN AMOUNT NOT EXCEEDING RS. [●] (INDIAN RUPEES [●] ONLY).**
13. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorized and has full power to execute this Guarantee for and on behalf of the Bank.
14. For the avoidance of doubt, the Bank's liability under this Guarantee shall be restricted to INR [●]crore (Indian Rupees [●]Only). The Bank shall be liable to pay the said amount or any part thereof only if YSRSCCL serves a written claim on the Bank in accordance with paragraph 9 hereof, on or before [*insert date falling 180 days after the Proposal Due Date*].

Signed and Delivered by _____ Bank.

By the hand of Mr./Ms. _____, its _____ and authorized official.

(Signature of the Authorised Signatory)
(Official Seal)

ANNEXURE H OF APPENDIX – 3
CERTIFICATE REGARDING TECHNICAL AND FINANCIAL CAPACITY¹¹

[On the letterhead of the statutory auditor of the Applicant company]

Date: [●]

Shri Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers
Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India

Subject: Certification for *[insert name of the company]* in connection with submission of its Proposal pursuant to the Request for Proposal No. [●] dated [●] (“RFP”) issued by YSR Steel Corporation Limited.

Sir,

This is to certify that *[insert name of company]* possessed the following Financial Capacity (with reference to the RFP):

S. No.	Financial Capacity ¹²	Particulars
1.	Net Worth (in INR) evidenced by its audited financial statements not older than 12 (twelve) months immediately preceding the Proposal Due Date. ¹³	

The above Net Worth have been calculated in accordance with the parameters specified for such calculation in the RFP.

Further, we certify the following:

¹¹ In the event that the Applicant (or any Member of the Consortium) relies on the Financial Capacity of any of its Associates, this certificate will be required to be submitted on behalf of each of such Associates. In case of a Consortium, this certificate will be required to be separately submitted by the Members whose Financial Capacity and/or Technical Capacity is required to be considered for evaluation (i.e. one separate certificate each by the Members respectively).

¹² In the event that An Applicant or a Member of a Consortium is a foreign entity having its financial statements recorded in any currency other than INR, such Applicant will need to specify (in its Proposal), its Net Worth in INR converted in accordance with the reference rate of the Reserve Bank of India (published on its official website) as of the last date of the relevant financial year. In the event, the Reserve Bank of India did not publish the reference rate for such date with respect to any currency in which the financial statements are recorded for any Applicant or a Member of a Consortium, such Applicant or a Member of a Consortium will be required to specify the aforesaid amounts in INR converted in accordance with the currency conversion rate last published by the Reserve Bank of India in such year.

¹³ In the event that An Applicant or a Member of a Consortium is a foreign entity having its financial statements in the language other than English, such Applicant or a Member of a Consortium shall furnish the duly notarized and translated copy of the financial statements.

- (a) *[Insert name of company]* has, in 10 (ten) years immediately preceding the Proposal Due Date, (i) set up (as the project owner), and/or (ii) acquired, and operated, *[insert name of the steel manufacturing plant]* situated at *[insert address of the aforesaid steel manufacturing plant]*, with a minimum capacity of *insert the capacity in MTPA*, of crude steel and/or finished product(s).

Sincerely,

(Signature of authorized signatory)

Name of authorized signatory:

Designation of authorized signatory:

Registration/membership number of authorized signatory:

Place:

Name and Seal of the Firm:

Acknowledged by:

For and on behalf of *[insert name of the aforesaid company]*

(Signature of the authorized signatory)

Name:

Designation:

Date:

APPENDIX- 4

EVALUATION CRITERIA¹⁴

S. No.	Criteria	Weightage (in points)	Supporting documents to be provided by the Applicant	Maximum points which may be awarded by YSRSCCL
Technical Capability				50
1	<p>Aggregate installed greenfield capacity (as project owner) in metallurgical manufacturing/production units in ferrous and/or nonferrous metals (crude steel/ aluminium/ copper/ zinc/lead/nickel/ tin) by the Applicant and its Associates (in India and overseas) commissioned in the last 30 preceding completed financial years.</p> <p><u>Note 1 - Greenfield project: shall mean a new project at a new location with no existing operating units and in land which is vacant or can be made vacant by dismantling of any existing facilities</u></p> <p><u>Note 2 - Experience in setting and operating mining unit is not considered as metallurgical manufacturing/production unit.</u></p>		Annexure A of Appendix – 5	20
	2 MTPA or above	20		
	>=1.5 MTPA and <2 MTPA	16		
	>=1 MTPA and <1.5 MTPA	12		
	>=0.5 MTPA and <1 MTPA	8		
	>0 MTPA and <0.5 MTPA	4		

¹⁴ **Note to Applicants:** In the event that the Members of a Consortium are Associates/group companies, there shall be no double counting of their own (and their Associates' credentials) for the purposes of the evaluation of Proposals.

<p>2</p>	<p>Addition of capacity through brownfield projects (in India and overseas) by the Applicant and its Associates in metallurgical manufacturing/ production units in ferrous and/or nonferrous metals (crude steel/ aluminium/ copper/ zinc/lead/nickel/ tin) commissioned in the last 30 preceding completed financial years.</p> <p><u>Note 1 - Brownfield project: shall mean a project in an existing operating plant area involving expansion/upgradation/modernisation /setting up of new facilities and may also involve dismantling of existing operating units.</u></p> <p><u>Note 2- Experience in setting and operating mining unit is not considered as metallurgical manufacturing/ production unit.</u></p>		<p>Annexure B of Appendix – 5</p>	<p>20</p>
	<p>4 MTPA or above</p> <p>>=2.5 MTPA and <4 MTPA</p> <p>>=1 MTPA and <2.5 MTPA</p> <p>>0 MTPA and <1 MTPA</p>	<p>20</p> <p>15</p> <p>10</p> <p>5</p>		
<p>3</p>	<p>Aggregate installed capacity for the manufacture of crude steel (in India and overseas) of the Applicant and its Associates <u>Note: Highest Operating capacity among last 5 (Five) preceding F.Y from Proposal Due date shall be considered</u></p>		<p>Annexure C of Appendix – 5</p>	<p>10</p>
	<p>>=10 MTPA</p> <p>>=6 MTPA and <10 MTPA</p> <p>>=3 MTPA and <6 MTPA</p> <p>>=1 MTPA and <3 MTPA</p> <p>>=0 MTPA and <1 MTPA</p>	<p>10</p> <p>8</p> <p>6</p> <p>4</p> <p>2</p>		

Financial Capability				30
4	Consolidated tangible Net Worth of the group of which Applicant is a constituent (in Rs. Crores) as of the latest audited balance sheet which is not older than 12 (twelve) months immediately preceding the Proposal Due Date.		Annexure D of Appendix – 5	15
	<i>>Rs.25,000 Cr</i>	15		
	<i>>Rs.20,000 Cr upto Rs.25,000 Cr</i>	12		
	<i>>Rs.15,000 Cr upto Rs.20,000 Cr</i>	9		
	<i>>Rs.10,000 Cr upto Rs.15,000 Cr</i>	6		
	<i>>Rs.5,000 Cr upto Rs.10,000 Cr</i>	2		
5	Latest Credit rating (with respect to the long term borrowings) of the Applicant not older than 12 months immediately preceding the Proposal Due Date.			15
	<i>AAA- to AAA+</i>	15		
	<i>AA- to AA+</i>	10		
	<i>A- to A+</i>	6		
	<i>BBB- to BBB+</i>	3		
	<i>BB+ and below</i>	0		
	For the avoidance of any doubt, Applicants can submit equivalent credit ratings corresponding to the above Indian ratings scale. Further, in case of a Consortium, the credit rating of any one Member may be submitted for the purpose of evaluation.		Annexure E of Appendix – 5	
	The credit rating (to be submitted by Applicants) must be awarded by any one of the following credit rating agencies:			

	<ul style="list-style-type: none"> · Crisil · ICRA · CARE · India Rating · Moody's · Fitch · S&P 				
Proposal Related				95	
6	Proportion of equity contribution (not taking into account quasi-equity) out of the total equity component required for Phase 1 (i.e. aggregate of equity <i>plus</i> quasi-equity to be infused cumulatively by YSRSCCL and the JV Partner), proposed to be infused by the JV Partner (in the JVC) prior to COD.		Annexure F of Appendix – 5	10	
		<i>>0% and upto 5%</i>			2
		<i>>5% and upto 10%</i>			4
		<i>>10% and upto 25%</i>			6
		<i>>25% and upto 50%</i>			8
	<i>>50%</i>	10			
7	Proportion of quasi-equity contribution out of the total equity component for Phase 1 (i.e. aggregate of equity <i>plus</i> quasi-equity to be infused cumulatively by YSRSCCL and the JV Partner), required to be infused by YSRSCCL (in the JVC).		Annexure G of Appendix – 5	5	
		<i>>50% upto 60%</i>			1
		<i>>40% upto 50%</i>			2
		<i>>20% upto 40%</i>			3
		<i>>0% upto 20%</i>			4
	<i>0%</i>	5			

8	<p>Coupon rate for the equity infused in quasi-equity instruments offered by the Applicant to be paid by JVC to YSRSCCL after COD.</p> <p><u><i>Note 1: It is considered that the redemption of the quasi-equity is done at par on COD+7 Years.</i></u></p> <p><u><i>Note 2: Maximum points under this category will be allocated to An Applicant quoting no quasi equity contribution from YSRSCCL.</i></u></p>	<p>The Applicant who quotes the highest coupon rate (% per annum) will be awarded the highest marks and the other Applicants shall be given scores pro-rata. In case the Applicant chooses 0% of quasi component in point 7, he will be given the maximum score</p>	Annexure H of Appendix – 5	10										
9	<p>Number of direct employees and contractual staff proposed to be employed by the Project for plant operations, maintenance, marketing and administration (including town ship) activities at the time of COD. Please refer the table in Annexure-I of Appendix-5 for the indicative ranges. The proposed number should be consistent with the proposed configuration of Phase 1.</p>	<table border="0"> <tr> <td style="text-align: right;"><=550</td> <td>0</td> </tr> <tr> <td style="text-align: right;">>550<= 1200</td> <td>10</td> </tr> <tr> <td style="text-align: right;">>1200<=2000</td> <td>20</td> </tr> <tr> <td style="text-align: right;">>2000<=3000</td> <td>30</td> </tr> <tr> <td style="text-align: right;">>3000</td> <td>40</td> </tr> </table>	<=550	0	>550<= 1200	10	>1200<=2000	20	>2000<=3000	30	>3000	40	Annexure I of Appendix – 5	40
<=550	0													
>550<= 1200	10													
>1200<=2000	20													
>2000<=3000	30													
>3000	40													

10	Consideration for managing the designing, engineering, construction and commissioning of the Project under Phase 1, pursuant to the implementation agreement. (Percentage of the engineering, procurement and construction cost for Phase 1 to not exceed 2%)		Annexure J of Appendix – 5	10
	<i>>1.5% and upto 2%</i>	2		
	<i>>1 % and upto 1.5%</i>	5		
	<i>>0.5 % and upto 1%</i>	8		
	<i>Less than 0.5%</i>	10		
11	Business plan presentation including the ability of the applicant to achieve financial closure for the project		Annexure K of Appendix – 5	20
Other Criteria				25
12	No. of PM trophy awards by Government of India or any equivalent award in the industry related to metallurgical manufacturing/ production units in ferrous and/or nonferrous metals (crude steel/ aluminium/ copper/ zinc/lead/nickel/ tin) awarded by Government of any foreign country with the similar objective of PM trophy by Government of India.		Annexure L of Appendix – 5	10
		<i>5 and above</i>	10	
		<i>4</i>	8	
		<i>3</i>	6	
		<i>2</i>	4	
	<i>1</i>	2		
13	Quality criteria (In the industry related to metallurgical manufacturing/ production units in ferrous and/or nonferrous metals		Annexure M of Appendix – 5	5

	(crude steel/ aluminium/ copper/ zinc/lead/nickel/ tin)			
	<i>Quality: ISO 9001-2015 certification</i>	2		
	<i>Environment: ISO 14001-2015 certification</i>	1		
	<i>Health & safety: OHSAS 18001/ ISO 45001 certification</i>	1		
	<i>Energy Management: ISO 50001 certification</i>	1		
14	Aggregate CSR expenditure over last 3 audited financial years / Aggregate turnover based on the consolidated annual accounts of the group of which Applicant is a constituent		Annexure N of Appendix – 5	10
	>0.25%	10		
	>0.20% upto 0.25%	8		
	>0.15% upto 0.20%	6		
	>0.10% upto 0.15%	4		
	>0.05% upto 0.10%	2		
	<0.05%	0		
		Total		200

Note: Wherever credentials of Associates are used/ sought to be relied, the Applicant should utilise same set of Associates for the entire document.

APPENDIX- 5

FORMAT OF TECHNO-COMMERCIAL PROPOSAL

[On the letterhead of the Applicant]

Date: [●]

Shri Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers
Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India

Sir,

Subject: Techno-Commercial Proposal for selection of a joint venture partner for the development and operation of a steel plant in YSR (Kadapa) District, Andhra Pradesh in a joint venture with YSR Steel Corporation Limited.

1. With reference to your request for proposal No. [●] issued on [●] for selection of a joint venture partner for the setting up a steel plant in the YSR (Kadapa) District, Andhra Pradesh, India, we, having examined the RFP and understood their contents, hereby submit our Techno-Commercial Proposal.
2. The Techno-Commercial Proposal is unconditional and unqualified.
3. We agree to keep this offer valid for until the expiry of 180 (one hundred and eighty) days from the Proposal Due Date.
4. We agree and undertake to abide by all the terms and conditions of the RFP.
5. We have annexed all the supporting documents for the purposes of evaluation of the Techno-Commercial Proposals as per the requirements of the RFP.

The capitalized terms used and not defined in this letter shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFP.

Yours faithfully,

For and on behalf of [**insert name of the Applicant**]

(Signature of the Authorized Signatory)

Name of the Authorised Signatory:

Designation of the Authorised Signatory:

ANNEXURE A OF APPENDIX – 5

Format of submission against evaluation criteria no. 1 (technical capability)

Aggregate installed greenfield capacity (as project owner) in metallurgical manufacturing/ production units in ferrous and/or nonferrous metals (crude steel/ aluminium/ copper/ zinc/lead/nickel/ tin) by the Applicant and its Associates (in India and overseas) commissioned in the last 30 preceding completed financial years.

Note 1: Greenfield project shall mean a new project at a new location with no existing operating units and in land which is vacant or can be made vacant by dismantling of any existing facilities

Note 2: Experience in setting and operating mining unit is not considered as metallurgical manufacturing/ production unit.

S. No.	Name of the Applicant or Associate of the Applicant¹⁵	Plant name with address	Greenfield capacity commissioned in the last 30 preceding completed financial years	Date of commissioning	Documentary evidence submitted¹⁶
1.					
2.					
3.					
4.					
Total¹⁷				NA	NA

¹⁵ In case of an Associate of the Applicant, documentary evidence of ownership/ association, i.e. shareholding pattern certified by the statutory auditor as per Annexure C of Appendix 3 to be provided.

¹⁶ Certificate from the statutory auditor and/or consent to operate to be provided.

¹⁷ Please add more rows, if required.

ANNEXURE B OF APPENDIX – 5

Format of submission against evaluation criteria no. 2 (technical capability)

Addition of capacity through brownfield projects (in India and overseas) by the Applicant and its Associates in metallurgical manufacturing/ production units in ferrous and/or nonferrous metals (crude steel/ aluminium/ copper/ zinc/lead/nickel/tin) commissioned in the last 30 preceding completed financial years.

Note 1: Brownfield project shall mean a project in an existing operating plant area involving expansion/upgradation/modernisation/setting up of new facilities and may also involve dismantling of existing operating units.

Note 2: Experience in setting and operating mining unit is not considered as metallurgical manufacturing/ production unit.

S. No.	Name of the Applicant or Associate of the Applicant ¹⁸	Plant name with address	Brownfield capacity commissioned in the last 30 preceding completed financial years.	Date of commissioning	Documentary evidence submitted ¹⁹
Total²⁰				NA	NA

¹⁸ In case of an Associate of the Applicant, documentary evidence of ownership/ association, i.e. shareholding pattern certified by the statutory auditor as per Annexure C of Appendix 3 to be provided.

¹⁹ Certificate from the statutory auditor and/or consent to operate to be provided.

²⁰ Please add more rows, if required.

ANNEXURE C OF APPENDIX – 5

Format of submission against evaluation criteria no. 3 (technical capability)

Aggregate installed capacity for the manufacture of crude steel (in India and overseas) of the Applicant and its Associates

Note: Highest Operating capacity among last 5 (Five) preceding F.Y from Proposal Due date shall be considered

S. No.	Name of the Applicant or Associate of the Applicant²¹	Plant name with address	Crude steel capacity	Date of the audited financial statements incorporating the submitted steel capacity	Date of commissioning	Documentary evidence submitted²²
Total²³					NA	NA

²¹ In case of an Associate of the Applicant, documentary evidence of ownership/ association, i.e. shareholding pattern certified by the statutory auditor as per Annexure C of Appendix 3 to be provided.

²² Certificate from the statutory auditor and/or consent to operate to be provided.

²³ Please add more rows, if required.

ANNEXURE D OF APPENDIX – 5

Format of submission against evaluation criteria no. 4 (financial capability)

Consolidated tangible Net Worth of the group of which Applicant is a constituent (in Rs. Crores) as of the latest audited balance sheet which is not older than 12 (twelve) months immediately preceding the Proposal Due Date.

Name of the Applicant: [•]

Name of the group of which the Applicant is a constituent: [•]

Net worth of the Group as of the last audited balance sheet which is not older than 12 (twelve) months immediately preceding the Proposal Due Date: [•]

Net worth means 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 and miscellaneous expenditure not written off, as per the audited financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation

Note:

- (1) To be provided in the form of a certificate from the statutory auditor.
- (2) Supporting documents to be submitted: Latest consolidated audited annual report of the group company of which the Applicant is the constituent.
- (3) . In the event that the financial statements are recorded in any currency other than INR, such Applicant will need to provide the Net Worth in INR converted in accordance with the reference rate of the Reserve Bank of India (published on its official website) as of the last date of the relevant financial year. In the event, the Reserve Bank of India did not publish the reference rate for such date with respect to any currency in which the financial statements are recorded for any Applicant, such Applicant will be required to specify the aforesaid amounts in INR converted in accordance with the currency conversion rate last published by the Reserve Bank of India in such year.

ANNEXURE E OF APPENDIX – 5

Format of submission against evaluation criteria no. 5 (financial capability)

Latest credit rating (with respect to the long-term borrowings) of the Applicant as on the date not earlier than 12 (twelve) months immediately preceding the Proposal Due Date.

Name of the Applicant: [•]

Credit rating of the Applicant: [•]

Name of the credit rating agency: [•]

Date of the credit rating report: [•]

Note:

(1) Supporting documents to be submitted: Latest credit rating report not older than 12 months immediately preceding the Proposal Due Date from any of the following rating agencies-

- Crisil
- ICRA
- CARE
- India Rating
- Moody's
- Fitch
- S&P

ANNEXURE F OF APPENDIX – 5

Format of submission against evaluation criteria no. 6 (proposal related)

Proportion of equity contribution (not taking into account quasi-equity) out of the total equity component required for Phase 1 (i.e. aggregate of equity plus quasi-equity to be infused cumulatively by YSRSCCL and the JV Partner), proposed to be infused by the JV Partner (in the JVC) prior to COD.

Name of the Applicant: [•]

Proportion of equity contribution (not taking into account quasi-equity) proposed to be infused by the JV Partner (in the JVC) prior to COD: [•]%

ANNEXURE G OF APPENDIX – 5

Format of submission against evaluation criteria no. 7 (proposal related)

Proportion of quasi-equity contribution out of the total equity component for Phase 1 (i.e. aggregate of equity plus quasi-equity to be infused cumulatively by YSRSCCL and the JV Partner), required to be infused by YSRSCCL (in the JVC).

Name of the Applicant: [•]

Proportion of quasi-equity contribution out of the total equity component for Phase 1 (i.e. aggregate of equity plus quasi-equity to be infused cumulatively by YSRSCCL and the JV Partner), required to be infused by YSRSCCL (in the JVC): [•]%

ANNEXURE H OF APPENDIX – 5

Format of submission against evaluation criteria no. 8 (proposal related)

Coupon rate for the equity infused in quasi-equity instruments offered by the Applicant to be paid by JVC to YSRSCCL after COD.

Note 1: It is considered that the redemption of the quasi-equity is done at par on COD+7 Years.
Note 2: Maximum points under this category will be allocated to An Applicant quoting no quasi equity contribution from YSRSCCL.

Name of the Applicant: [•]

Coupon rate for the equity infused in quasi-equity instruments offered by the Applicant to be paid by JVC to YSRSCCL after COD: [•]%

ANNEXURE I OF APPENDIX – 5

Format of submission against evaluation criteria no. 9 (proposal related)

Number of direct employees and contractual staff proposed to be employed by the Project for plant operations, maintenance, marketing and administration (including town ship) activities at the time of COD. The proposed number should be consistent with the proposed configuration of Phase 1.

Name of the Applicant: [•]

Number of direct employees and contractual staff proposed to be employed by the Project for plant operations, maintenance, marketing and administration (including town ship) activities at the time of COD. The proposed number should be consistent with the proposed configuration of Phase 1: [•]

Note:

(1) The proposed number should be consistent with the proposed configuration of Phase 1, as per the below table provided for reference:

S. No.	Project Configuration	Manpower (payroll + outsourced)
1	1 to 1.5 MTPA standalone long rolling mill	550
2	1 MTPA rebar mill + 0.4 MTPA wire rod mill	800
2	1.5 MTPA standalone CRM complex	750
3	1.5 MTPA EAF based steel plant with long rolling mill	1400
4	1.5 MTPA BF-BOF based integrated steel producing long products.	2100
5	3 MTPA BF-BOF based integrated steel plant producing long products	2700
6	3 MTPA BF-BOF based integrated steel plant producing 1 MTPA long products and 2 MTPA flat products (HRC)	4250
6	3 MTPA BF-BOF based integrated steel plant producing flat products (HRC)	3850
7	3 MTPA BF-BOF based integrated steel plant producing flat products (CRC)	4200

ANNEXURE J OF APPENDIX – 5

Format of submission against evaluation criteria no. 10 (proposal related)

Consideration for managing the designing, engineering, construction and commissioning of the Project under Phase 1, pursuant to the implementation agreement. (Percentage of the engineering, procurement and construction cost for Phase 1 to not exceed 2%)

Name of the Applicant: [•]

Consideration for managing the designing, engineering, construction and commissioning of the Project under Phase 1, pursuant to the implementation agreement. (Percentage of the engineering, procurement and construction cost for Phase 1): [•]%

ANNEXURE K OF APPENDIX – 5

Format of submission against evaluation criteria no. 11 (proposal related)

Business plan presentation:

Presentation to be given by the Applicant in terms of Clause 1.5.5 of the RFP.

ANNEXURE M OF APPENDIX – 5

Format of submission against evaluation criteria no. 13 (other criteria)

Quality Criteria

Name of Applicant: [•]

Name of Certification	Date of Certification	Validity Date	Held by Applicant/ Plant of the Applicant
ISO 9001-2015			
ISO 14001-2015			
OHSAS 18001/ ISO 45001			
ISO 50001			
Total number of certifications held			[•]

Note:

- (1) Documentary evidence to be submitted: Copy of the certificates, which should be valid as on Proposal Due Date.

ANNEXURE N OF APPENDIX – 5

Format of Submission against Evaluation Criteria No. 14 (other criteria)

Aggregate CSR expenditure over last 3 (three) audited financial years / Aggregate turnover based on the consolidated annual accounts of the group of which Applicant is a constituent.

Name of the Applicant Group: [•]

Financial year	Units/ Currency	FY [•]	FY [•]	FY [•]	Total for the last 3 financial years
(A) Aggregate turnover					
(B) Aggregate CSR expenditure					
(C) Ratio of CSR expenditure to turnover = A/B	%				

Note:

- (1) To be provided in the form of a certificate from the statutory auditor
- (2) Supporting documents to be submitted: Audited annual reports of the Applicant of the last three financial years
- (3) In the event that the financial statements are recorded in any currency other than INR, such Applicant will need to provide the CSR expenditure in INR converted in accordance with the reference rate of the Reserve Bank of India (published on its official website) as of the last date of the relevant financial year. In the event, the Reserve Bank of India did not publish the reference rate for such date with respect to any currency in which the financial statements are recorded for any Applicant, such Applicant will be required to specify the aforesaid amounts in INR converted in accordance with the currency conversion rate last published by the Reserve Bank of India in such year

APPENDIX – 6

SUBMISSION OF QUERIES

(Refer Clause 2.8.1)

[To be submitted in an MS Word File]

Date: [●]

To,
Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers
Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India

OR

Email: shanmohan.sagili@aphighgradesteels.com and srikanth.suda@aphighgradesteels.com

Subject: “Queries/Request for Additional Information: RFP for selection of a joint venture partner for development of a steel plant”

Sir,

We, [*insert the name of the Applicant*], request YSR Steel Corporation Limited, an undertaking of the Government of Andhra Pradesh (“**YSRSCL**”), to provide additional information/response to our queries in relation to the selection of a joint venture partner for the development of a steel plant in YSR (Kadapa) district, Andhra Pradesh, India (“**Project**”), as provided for in the Request for Proposal No. [●] dated [●] (“**RFP**”) issued by YSRSteel. We have set out our queries below:

S. No.	Clause Number and Page Number	Query	Proposed Clause (if any)	Remarks
1.				
2.				

For and on behalf of [*insert the name of the Applicant*]

(Signature of the Authorized Signatory)

Name of the Authorised Signatory:

Designation of the Authorised Signatory:

APPENDIX – 7

AUTHORIZATION LETTER FOR PARTICIPATION IN THE PRE PROPOSAL CONFERENCE

(Refer Clause 5.2)

[On the Letterhead of the Applicant]

Date: [●]

Shri Sagili Shan Mohan, IAS
Managing Director
YSR Steel Corporation Limited
10th Floor, APIIC Towers
Plot No-1, IT Park
Mangalagiri, Guntur District
Andhra Pradesh – 522503
India

OR

Email: shanmohan.sagili@aphighgradesteels.com and srikanth.suda@aphighgradesteels.com

Subject: Authorization for Attending the Pre-Proposal Conference

Sir,

We, [*insert the name of the Applicant*], hereby authorize the Persons set out below to participate in the pre-Proposal conference, for and on our behalf, pursuant to Request for Proposal No. [●] dated [●] (“RFP”) issued by the YSR Steel Corporation Limited, an undertaking of the Government of Andhra Pradesh (“YSRSCL”):

S. No.	Name	Designation	Entity
1.			
2.			
3.			
4.			

We would like to attend the Pre-Proposal Conference {in Person / virtually through video conference}.

For and on behalf of [*insert the name of the Applicant*]

(Signature of the Authorized Signatory)

Name of the Authorised Signatory:

Designation of the Authorised Signatory:

APPENDIX-8

FORMAT OF THE LETTER OF ACCEPTANCE

(Refer Clause 3.5.4)

[On the letterhead of YSR SCL]

Date: [●]

[Insert name of the Selected Applicant]

[Insert Address]

Kind Attention: [Insert name and designation of the Authorized Signatory]

Sir,

Subject: Letter of acceptance

1. We refer to your Proposal No. [●] dated [●] submitted in response to the Request for Proposal No. [●] issued on [●] (“RFP”) by YSR Steel Corporation Limited (“YSRSCL”), for selection of a joint venture partner for the setting up and operating a steel plant in the YSR (Kadapa) District, Andhra Pradesh, India (“Project”).
2. Pursuant to the evaluation of the Proposals received in accordance with the RFP, we are pleased to inform you that [Insert name of the Applicant / Members of the Consortium] has been identified as the Selected Applicant.
3. Pursuant to the provisions of the RFP, [Insert name of the Applicant / Members of the Consortium] is required to enter into the JVA (and other definitive documents) with YSR SCL²⁴ within [●] ([●]) days from the date hereof (the Selected Applicant who enters into the JVA hereinafter referred to as the “JV Partner”).
4. The JVA shall include, *inter alia*, the following terms and conditions in detail:
 - A. The principles set out under Clause [●] of the RFP which are reiterated as under:
 - (i) **Project contours**
 - (a) The JVC shall be required to develop and operate the Project with a capacity of at least 1 million tonnes per annum (“MTPA”) of crude steel and/or finished product(s) or such higher capacity as specified in the Proposal submitted by the JV Partner (such phase of the Project being “Phase 1”), and commence commercial operations of such Phase 1 (“COD”) by March 31, 2024 (based on the presently targeted zero date (i.e. date of signing of the JVA) of January 31, 2021 or earlier). The minimum configuration for Phase 1 shall comprise of either a, (a) rolling mill (i.e. bar mill, wire rod mill or structural mill), (b) hot strip mill, (c) cold rolling mill, or (d) steel melting shop, with a capacity of at least 1 (one) MTPA crude steel and/or finished product(s) production. In this

²⁴ **Note to Applicants:** The structure of the JVC, as to whether YSR SCL itself would become the JVC or a new JVC would be incorporated by YSR SCL and the JV Partner, would be finalized by YSR SCL prior to execution of the JVA.

regard, finished product(s) shall mean either, rebars, wire rods, structurals, PM plates or hot rolled coils, or a combination of any of them, but does not preclude further processing of the same.

- (b) Accordingly, the commitments of YSR SCL (set out herein) are in relation to Phase 1 only.
- (c) Subject to the terms of the JVA, the JV Partner would (though the JVC) be entitled to undertake expansion of the installed capacity of the Project (over and above the capacity under Phase 1).

(ii) Role and responsibilities of the JV Partner

JV Partner shall be responsible for, inter alia, the following:

Capital related

- (a) Making equity contributions in the JVC in accordance with the commitments made by the JV Partner as specified in its Proposal. However:
 - I. the JV Partner shall be mandatorily required to acquire/ hold at least 51% (fifty one percent) of the subscribed and paid-up equity share capital (without accounting for quasi-equity instruments) of the JVC on or prior to the COD;
 - II. the JV Partner shall be mandatorily required to acquire additional holding as detailed in paragraph (iv) hereunder;
 - III. without prejudice to (I) above, the JV Partner shall be mandatorily required to contribute equity in the JVC upfront from the commencement of the development of the Project along with YSR SCL (i) in the event that the total equity component for Phase 1 (including interest during construction and the preliminary and pre-operative expenses) is estimated to be more than, or exceeds INR 3,000 crores (Indian Rupees three thousand crores), and/or (ii) in the event, that the JV Partner has in terms of its Proposal committed to any equity contribution in the JVC prior to COD, as to be further detailed in the definitive documents;
 - IV. without prejudice to (I) and (III) above, in the event that there are any cost overruns during the development of the Project, i.e. amounts in excess of the Project cost as approved under the financing documents (entered into between the JVC and senior lenders for the Project), the JV Partner shall be required to fund any such cost overruns.
- (b) The JV Partner shall, in consultation with YSR SCL, finalise the capital structure for implementing the Project, and will provide necessary technical, business and operational inputs required by the JVC in

connection with procuring debt financing for the Project.

- (c) Without prejudice to paragraph A(ii)(a)(III) above and subject to paragraph A(ii)(d) below, the JV Partner shall, as part of its Proposal, indicate the extent of equity and quasi-equity (including preference shares/warrants) that it would, (a) contribute itself, and (b) require YSRSCCL to contribute, in the JVC. However, the quasi-equity which may be required to be infused by YSRSCCL (on the basis of the Proposal of the JV Partner) shall not exceed 60% (sixty percent) of the total equity component of Phase 1.
- (d) The total contribution of YSRSCCL with respect to, (a) the total equity (including equity and quasi-equity) of the JVC, and (b) provision/procurement of any external infrastructure required for the Project, shall be subject to a maximum cumulative limit of the lower of (a) INR 3,000 crores (Indian Rupees three thousand crores), or (b) 33% (thirty three percent) of the estimated total cost of the Phase 1, which would be determined by YSRSCCL pursuant to the evaluation of the Proposal submitted by the JV Partner. Further, YSRSCCL shall be entitled to affirmative voting rights/reserved matter rights as well as the director nomination rights as provided herein, till such time as it holds any shareholding or quasi equity in the JVC.

Project development and management

- (e) The JV Partner would enter into an implementation agreement with the JVC such that the JV Partner would be responsible for managing the design, engineering, construction and commissioning of the Phase 1.
- (f) The JV Partner would be entitled to determine the product mix that would be manufactured along with the configuration of and the technology to be used in, the Project (as specified in the Proposal submitted by the JV Partner). However, the JV Partner must ensure that the Project would be developed and operated using environment friendly and sustainable technologies and processes, and conform to the good industry practices.

Operations and debt service

- (g) Operating, maintaining and managing the Project on and from the COD. At COD, the JV Partner shall demonstrate the operation of the Phase 1 (having an installed capacity of at least 1 MTPA) to the satisfaction of YSRSCCL. It may be noted that the JVC would be responsible for its operational expenditures and servicing of its debt, without any recourse to Government of Andhra Pradesh.
- (h) The JV Partner shall, based on its Proposal submission be required to either, (a) enter into an offtake arrangement with the JVC (i.e. the JV Partner shall buy the product(s) manufactured by the JVC on a cost plus margin basis) or (b) market and sell the product(s) manufactured by the JVC under its own brand, and in each case, ensure that the JVC

generates sufficient cash flow to discharge its obligations including payment of all operational expenses, statutory dues, servicing of external debt and payment of coupon on quasi-equity (if any) subject to Applicable Law.

Others

- (i) The JVC shall have the option to set up auxiliary units (including but not limited to ASU, CPP, LCP, oxygen etc.) as may be required for the Project.
 - (j) The JV Partner shall ensure that the JVC's corporate social responsibility funds are only expended Andhra Pradesh and preferably in YSR (Kadapa) District.
- (iii) YSRSCCL support**
- (a) If required by the JV Partner, YSRSCCL may contribute the initial equity to facilitate the commencement of construction of the Project in a time efficient manner, based on the Proposal submitted by the JV Partner. The mechanism and instrument(s) for such equity contribution would be in accordance with the terms of the JVA (and may include a combination of equity and quasi-equity instruments) based on such Proposal submission.
 - (b) YSRSCCL shall make available unencumbered contiguous land (having an area to an extent of 3,500 (three thousand five hundred) acres (“**Site**”) to the JVC for the development of the Project. However, it may be noted that the cost of, (a) acquisition and transfer of the Site incurred by Government of Andhra Pradesh and/or YSRSCCL, (b) construction by YSRSCCL of a suitable and secured wall around the Site, and (c) any other facilities such as construction of office at site etc. as may be provided by YSRSCCL, shall be deemed to form part of the Project cost, and shall be treated as part of the equity contribution of YSRSCCL for the Project. Further, it may be noted that Site would be allowed to be used only for the purposes of the Project.
 - (c) YSRSCCL shall make available certain external infrastructure up to the Site (or up to a designated point within the Site, as the case may be). Such external infrastructure would comprise of, (a) a double circuit transmission line of 400KV from Jammalamadugu substation up to a designated point within the Site, for uninterrupted power supply, (b) a 15 kilometres long raw water pipeline (including procuring/ undertaking acquisition of the right of way for such pipeline) along with the necessary pumping infrastructure from Gandikota reservoir for raw water supply, (c) a 4 lane access road to national highway 67 with adequate right of way, and (d) a railway connectivity by laying an extension line of about 12 kilometres from the nearest railway line, with adequate right of way. The JVC would be required to pay the user charges (on a cost plus return basis) for using the external infrastructure facilities.

- (d) YSR SCL has entered into a memorandum of understanding with NMDC Limited for supply of 5 (five) MTPA iron ore for the Project. However the JV Partner would, in its discretion, be entitled to procure iron ore (and other raw materials) from additional/alternate sources in the event that the same is more beneficial for the Project.
- (e) YSR SCL would, on a best effort basis, provide reasonable assistance to the JVC in procuring consents and approvals required for construction and operation of the Project. It may be noted that YSR SCL has already applied for the environmental consent for the Project (for a capacity up to 3 (three) MTPA), and in this regard the Environmental Impact Assessment (EIA) report has been submitted on September 28, 2020 and the preparation of the Environment Management Plan (EMP) is expected to commence shortly (YSR SCL has already received the terms of reference for the environmental impact assessment).
- (f) YSR SCL would extend the applicable benefits under the Andhra Pradesh Industrial Development Policy, 2020 to the JVC and the Project.

(iv) Exit mechanism for YSR SCL

- (a) During the course of execution of the Project, the JV Partner shall:
 - I. compulsorily acquire, at least 51% (fifty one percent) of the subscribed and paid-up equity share capital (without accounting for quasi-equity instruments) of the JVC on or prior to the COD, at par (“**Tranche 1 Purchase**”);
 - II. acquire the balance subscribed and paid-up equity share capital (without accounting for quasi-equity instruments) of the JVC to the extent held by YSR SCL (“**Tranche 2 Purchase**”), on or prior to the expiry of 7 (seven) years from COD. Acquisition of equity shares under Tranche 2 Purchase shall be undertaken at fair market value to be determined by an independent merchant banker mutually appointed by YSR SCL and the JV Partner;
 - III. subject to the requirements under paragraphs 4(A)(iv)(a)(I) and (II) above, and until such time that YSR SCL holds any equity and/or quasi-equity in the JVC, own and retain majority shareholding in the JVC.
- (b) To the extent that YSR SCL infuses capital into the JVC through quasi-equity instruments, based on the Proposal submitted by the JV Partner, the JV Partner shall ensure that the JVC redeems such quasi-equity instruments in cash (taking into account the principal along with any unpaid and/or accrued interest) any time prior to the 7th anniversary of COD (whether at once or in multiple tranches). In the event that the aforesaid quasi-equity instruments held by YSR SCL are not redeemed by YSR SCL in accordance with this paragraph 4(A)(iv)(a)(II), the JV Partner shall be required to acquire such quasi-equity held by YSR SCL

at book value.

- (c) Each of the aforesaid transfers to, and purchase by JV Partner, of the Tranche 1 Purchase, Tranche 2 Purchase and quasi-equity instruments (if any), shall be undertaken in accordance with and subject to Applicable Law requirements.
 - (d) Until YSRSCCL holds more than 50% (fifty percent) of the equity in the JVC, YSRSCCL shall have Control over the management and policies of the JVC. Where YSRSCCL's stake is below 50% (fifty percent), YSRSCCL shall be entitled inter alia, to affirmative voting rights/reserved matter rights as well as the right to appoint a director on the board of the JVC, to ensure control over certain critical issues relating to the operation and management of the JVC and the Project, till such time as it retains any shareholding or quasi-equity in the JVC.
 - (e) YSRSCCL and the JV Partner may, on mutually agreed terms and conditions, explore the option of raising equity funding for the JVC from institutional investors.
- B. The key binding commitments made by the Selected Applicant under its Proposal are reiterated as under:²⁵
- (a) Proportion of equity contribution (not taking into account quasi-equity) out of the total equity component required for Phase 1 (i.e. aggregate of equity plus quasi-equity to be infused cumulatively by YSRSCCL and the JV Partner) proposed to be infused by the JV Partner in the JVC prior to COD: [●]
 - (b) Coupon rate as offered by the Applicant for the equity infused in quasi-equity instruments to be paid by JVC to YSRSCCL after COD: [●]
 - (c) Proportion of quasi-equity contribution out of the total equity component for Phase 1 (i.e. aggregate of equity plus quasi-equity to be infused cumulatively by YSRSCCL and the JV Partner), required to be infused by YSRSCCL in the JVC: [●]
 - (d) Number of direct employees and contractual staff proposed to be employed by the Project for plant operations, maintenance, marketing and administration (including township) activities at the time of COD, which shall be consistent with the proposed configuration of Phase 1. [●]
 - (e) Consideration for managing the designing, engineering, construction and commissioning of the Project under Phase 1, pursuant to the implementation agreement: [●]
 - (f) Proposed Project Cost: [●]

²⁵ **Note to Applicants:** The key roles and responsibilities of, and commitments made by, the Selected Applicant under its Proposal would be reiterated here.

- (g) Other details of the Project as specified by the Selected Applicant in its Techno-Commercial Proposal: [●]

[To be inserted by YSRSCCL after, and on review of Proposal submission by the Selected Applicant.]

5. You are requested to countersign and return the duplicate copy of the LOA as an acknowledgement of the same, failing which, YSRSCCL shall be entitled to withdraw the LOA and appropriate the Proposal Security, without prejudice to any of its other rights under the RFP or law or equity.
6. In case it is found that one or more of the Minimum Eligibility Criteria have not been met by the Selected Applicant or if it has made a material misrepresentation or has given any materially incorrect or false information, the Selected Applicant will be disqualified forthwith and this LOA will be withdrawn by a communication in writing by YSRSCCL, without YSRSCCL being liable in any manner whatsoever to the Selected Applicant. In such an event, YSRSCCL will forfeit and appropriate the Proposal Security or the Performance Security, as the case may be, without prejudice to any other right or remedy that may be available to YSRSCCL.
7. You are requested to comply with all the terms and conditions set out under the RFP and the JVA (and other definitive documents).
8. This LOA shall be governed by, and construed in accordance with, the laws of India and the courts in Andhra Pradesh shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Selection process and/or the LOA.

The capitalized terms used and not defined in this letter shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFP.

For and on behalf of **YSRSCCL**

Sagili Shan Mohan, IAS
Managing Director

Acknowledged:

For and on behalf of **[insert name of the Applicant]**

(Signature of the Authorized Signatory)
Name of the Authorised Signatory:
Designation of the Authorised Signatory: