

Response to queries raised by the Interested Bidders regarding strategic disinvestment of HFL

S. No.	Query	Response
1.	Details of segment wise Sales and Profitability have been sought	Details shall be shared with the shortlisted bidders at the Due Diligence and Request for Proposal (RFP) stage.
2.	Employee cost is very high, any justification or initiative taken by the company	<p>Following are the reasons/justification for higher employee cost:</p> <p>Increase of Basic Salary/Wage for Officers & Non-Officers and corresponding Variable DA on basic salary on account of Promotion/increments</p> <p>Payment of minimum bonus for eligible employees based on Basic + DA.</p> <p>Increase in salary provision on account of Actuarial Valuation for Earned Leave and Gratuity up to FY 2016-17 as per applicable Accounting Standard (AS)-15, Employee Benefits, where actuarial provisions are effected to P&L Account.</p> <p>Initial manpower recruitment was higher at the time of inception of the Plant vis-a-vis the small size of the Plant</p> <p>The following initiatives have been taken to reduce manpower cost by the Company:</p> <p>No manpower recruitments done except for statutory positions in the last 10 years.</p> <p>Salary payments are fixed as per DPE guidelines and present Salaries based on 2007 pay revision.</p>
3.	It is mentioned in the PIM that 66.13 acres of land at the site is not being offered as part of the disinvestment process. Status has been sought of the above mentioned land after disinvestment. Would it be reflected in the balance sheet?	Details shall be shared with the shortlisted bidders at the Due Diligence and Request for Proposal (RFP) stage.