

## ANDREW YULE & COMPANY LIMITED

( A Government of India Enterprise)

### INVITATION OF "EXPRESSIONG OF INTEREST" FOR SEEKING TECHNOLOGY PARTNER FOR AIR SEPARATION BUSINESS IN INDIA

#### About Andrew Yule & Company Ltd.

1. Andrew Yule & Company Ltd. (AYCL), a Government of India Enterprise, is the flagship Company of the Andrew Yule Group with a turnover over US \$220 million and having diverse business interest in Engineering, Electrical, Tea, Lubricant, Telecom, Lamp Filament and Printing. The Group has 27 manufacturing centres employing about 18,000 people and strong marketing network across the country.
2. AYCL, over the years, entered several technical collaboration agreements with leading manufacturers such as Howdon Sirocco (formerly Davidson & Co., U.K.) for Industrial Fan, BTR Belting, U.K. for Conveyor Belting, BETH GmbH & Rothemullhe, Germany for Bag Filter and ESP, Nippon Oil Corporation, Japan for Lubricant and Togami Electrical Co., Japan for Switchgear etc. More details about the entire range of the Andrew Yule Group products can be seen by visiting website : [www.andrewyule.com](http://www.andrewyule.com).

#### Air Separation Business in India

3. In India, gas industry has been growing at the rate of 33% YOY basis since 2006. In the last 10 years there has been an addition of 20,000 TPD capacity. The projections for steel industry, one of the major consumers of industrial Oxygen, indicate a target of 200 million Ton by 2020 i.e. an average growth of 18% per year. Going by the above, it is estimated that the additional capacity requirement would be at least 30,000 TPD in the next 10 years i.e. by 2020. Thus the business of air separation (including Oxygen production) offers enormous potential and opportunities for the new entrants. The business model presently in the business followed is "Build, Own & Operate" (BOO). All the major steel manufacturers have moved to source gas through BOO mechanism.

#### AYCL's Proposal

4. As a part of its diversification programme, AYCL proposes to enter in the business of Air Separation with an appropriate technology partner who will have the option to become a Joint Venture Equity Partner in future. The proposed collaboration will have the following activities :

- (i) To set up Air Separation Plants in India on BOO basis which shall include long-terms supply contract through pipeline with the buyers.
- (ii) To take over the operation and maintenance of existing Oxygen/Air Separation Plants of Steel and other process Plants in India.
- (iii) The new Plant to be built may have certain excess capacity over the contractual requirement which will be utilized for producing liquids and to sell the liquid gases produced from excess capacity through retail market.

Scope of Co-operation & Eligibility Criteria for the Technology Partner

- 5. The technology partner will be required to provide Air Separation Technology for setting up Air Separation Plants in India and operation & maintenance of such Plants. The technology partner will have the option to participate/take equity shares upto 49% as Joint Venture Partner in future. The detailed terms and conditions of such agreement can be mutually agreed upon within the guidelines of the Government of India. The above collaboration will entail AYCL to have the entire country as its territory having no conflict of interest or restriction in terms of business sectors in India. The technology partner should of international repute and experience of building and operating minimum 10 numbers of Air Separation Plants of 1,000 TPD and above capacity.
- 6. The Expression of Interest (EOI) meeting the above criteria is invited from internationally reputed Oxygen Manufacturers having no conflict of business interest in India. The proposal along with complete details of the Company – background, technical features, catalogues, reference lists (list of projects executed) and financial statements for last three years – should be submitted by August 16, 2010. While the EOI may be sent by e-mail with requisite attachments, it is requested that the mail may please be followed up with signed hard-copies sent to the following address :

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Please do not hesitate to call us / contract us in case you need any further information.