

PROCESS DOCUMENT

for

STRATEGIC STAKE SALE FOR SRAVANTHI ENERGY PRIVATE LIMITED (SEPL)



(Strictly Private & Confidential)

Transaction Advisor



SBI Capital Markets Limited

6th Floor, World Trade Tower, Barakhamba Lane, New Delhi 110 001
Head Office: 202, MakerTower 'E', Cuffe Parade, Mumbai 400 005

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Chapter 1 -Proposed Transaction

- 1) The broad terms of Transaction are as detailed below:
 - Induction of a Strategic and/or Financial Investor (“**Investor(s)**” or “**Interested Bidder(s)**” or “**IB**”) in Sravanthi Energy Private Limited (“**Company**” or “**SEPL**”)
 - This will entail investment of ~51% in the Company along with management control (“**Transaction**”)
- 2) IFCI Limited (“**Lead Bank**” or “**Lenders’ Agent**”) on behalf of lenders of SEPL (“**Lenders**”) has engaged SBI Capital Markets Limited (“**SBICAPS**” or “**Advisor**”) as financial advisor to the Transaction. Through this Process Document (“**PD**”), the Advisor is providing the Investor(s) with instructions for submitting their Expression of Interest (“**EoI**”) to the Advisor, in order to proceed with the proposed Transaction.
- 3) This PD contains the following:
 - a. Instructions for submission of EoI;
 - b. Indicative conditions/ circumstances which may lead to disqualifications of IBs;
 - c. Format for EoI;
 - d. Format for statement of legal capacity;
 - e. Form A;
 - f. Format for advertisement.
- 4) This PD along with the brief note for the Transaction will be uploaded on the website of the Advisor. Following receipt of PD, IBs will be required to respond in the format as detailed in this PD. Post evaluation of the EoIs submitted; IBs, if shortlisted, will be provided access to the data room to review the documents pertaining to the Company and to carry out their due diligence on the Company within a period of sixty (60) days from the date access to data room is provided.
- 5) EoIs are liable to be rejected by Lenders if IBs fails to meet the criteria or for any other reason deemed fit by the Advisor in its sole discretion, without assigning any reason whatsoever.
- 6) The shortlisted IBs would be required to sign a non-disclosure agreement (“**NDA**”), post which a detailed process flow will be provided to the shortlisted IBs.
- 7) Subsequently, a site visit (cost of which will be borne by the shortlisted IBs) would be

scheduled to facilitate the shortlisted IBs in their assessment of the business of the Company. The modalities related to the visit and due diligence will be communicated to the shortlisted IBs separately, in due course.

- 8) The shortlisted IBs would be required to give their final binding Financial Bid on or before a pre-determined Bid Date. The Lenders/Lenders' Agent reserves the right to accept/reject the offer as per pre-determined Financial Criterion(s). A committee may also be formed, at the discretion of the Lenders, comprising of member banks of the consortium/and or the Steering Committee member banks along with external parties to evaluate the Final Bid and address any specific complexity in the Transaction. In case there is only one offer, Lenders/Lenders' Agent may accept the same at its own discretion. Lenders' Agent will have the right to negotiate better terms and conditions with the top three (3) highest Bidders.
- 9) Lenders' Agent/Advisor reserves the right to modify/postpone/cancel or call off the proposed Transaction without assigning any reason whatsoever. It also reserves the right to call for any additional document/information from the IBs, which may be considered necessary without any liability to the Lenders' Agent/Advisor.
- 10) The Lenders' Agent/Advisor reserves the right not to respond to questions raised or provide clarifications sought, in their sole discretion. Nothing in this PD shall be taken or read as compelling or requiring the Lenders' Agent/Advisor to respond to any question or to provide any clarification. No extension of any time and date referred to in this PD shall be granted on the basis or grounds that the Lenders' Agent/Advisor has not responded to any question/ provided any clarification.
- 11) In case of any dispute between the parties in respect of interpretation of the terms of the Teaser inviting EoIs, this PD or anything arising there from, such dispute or difference shall be referred to the Lenders' Agent and the Lenders' Agent shall adjudicate and decide the disputes, if any, between the parties and his decision in this regard shall be final, conclusive and binding on the parties. The laws of India shall govern all matters relating to the Transaction. All disputes will be subject to jurisdiction of the Courts at Delhi (with exclusion of all other Courts).

Chapter 2 -Instructions for Submission of EoI

The EoI, conforming to the conditions of this PD shall be submitted latest by 5.00 PM on 25-December-2016 at the office of SBI Capital Markets Limited, the address of which is given below either by post, courier or hand delivery (at the risk and cost of IBs) in a sealed envelope clearly marked

“Private and Confidential-Expression of Interest for Strategic Sale of Sravanthi Energy Private Limited - [name, registered address of IB”]

Designated Official:

Mr. Mukesh
Aggarwal
Vice President
Infrastructure Group
SBI Capital Markets
Ltd.
5th Floor, World Trade
Tower, Barakhamba Road
New Delhi -110001

Applications received by any other means will not be accepted.

- 1) Advisor shall bear no responsibility for non-receipt of EoIs/any other correspondence sent by post/courier. EoI submitted after the above-mentioned date will not be accepted.
- 2) The IBs shall bear all costs associated with the preparation and submission of the EoI. The Advisor shall not, under any circumstances be responsible or liable for any such costs, whether direct, incidental or consequential.
- 3) The EoIs to be submitted shall consist of the following :
 - i. Description: Brief overview of the business operations of the Investor and strategic objectives for pursuing this Transaction. Also please set out your past experience in investing, operating and/or managing power plants/ related business(es).
 - ii. Principal: Confirmation that your EoI is made as principal for your own account and in the case of a consortium, the identities of all other principals is provided for in your EoI.
- 4) Shortlisted IBs will be asked to sign the Confidentiality Undertaking before the access to data room for carrying out due diligence is granted.

- 5) **Enquiry:** Advisor/Lenders' Agent reserves the right, in their sole discretion, not to respond to any questions raised or provide clarifications sought, if considered inappropriate or prejudicial to do so or even otherwise. Nothing in this section shall be taken or read as compelling or requiring the Advisor/Lenders' Agent to respond to any question or provide any clarification. No extension of any time and date referred to in this PD shall be granted on the basis or grounds that the Advisor/Lenders' Agent has not responded to any question or provided any clarification
- 6) **Governing Law / Jurisdiction:** The Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Transaction shall be subject to the exclusive jurisdiction of the courts at Delhi.

7) **Important Timelines:**

Table 1: Indicative Timeline

Event	Date
Invitation of queries, if any, through mail	15-December-2016
Last date & time for Submission of EoIs	5.00 PM (IST), 25-December-2016
Declaration of Shortlisted IBs	2-January-2017

Chapter 3 -Disqualifications

- 1) The Advisor/Lenders' Agent shall not consider for the purpose of qualification, any EoI which has been found to be incomplete in content or attachments.
- 2) Without prejudice, an IB may be disqualified and its EoI excluded from further consideration for any of the reasons (including without limitation) listed below:
 - a. Material misrepresentation by an IB, any member of consortium (where the Investor is bidding as a consortium) in the EoI.
 - b. Failure by IB or by any member of its consortium, to provide the information required to be provided in the EoI.
 - c. Submission of EoI in respect of any IB/ its consortium, where such IB or member of a consortium had already submitted an EoI either independently or is a member of another consortium which has already submitted an EoI.
 - d. Lenders decide that the IB(or any member of its consortium) not satisfying criteria and hence not being eligible.
 - e. Failure to comply with the reasonable request of Advisor/Lenders' Agent in relation to the Transaction.
 - f. If it is discovered at any time that an IB is subject matter of winding up/insolvency proceedings or other proceedings of a similar nature.
 - g. Any information regarding the IB which becomes known to Lenders' Agent/Advisor which is detrimental to the Transaction and/or the interests of the Lenders' Agent.
 - h. Initiation or existence of any legal proceedings, by or against the IB in respect of the Company, which proceeding may be prejudiced by the participation of the IB in the selection process or the Transaction by the Advisor, in consultation with Lenders' Agent.
 - i. Non fulfilment of any other condition as listed in the PD.
- 3) If any information becomes known after the IB has been qualified, which information would have entitled Advisor/ Lenders' Agent to reject the EoI of relevant IB, Lenders' Agent reserves the right to reject the IB at the time such information becomes known to the Advisor/Lenders' Agent. Where such party is a consortium, Lenders' Agent, may disqualify the entire consortium, even if it applied

Process Document

to only one member of such consortium.

- 4) Lenders' Agent's determination that one or more of the events specified in Clauses 1), 2) and 3) has occurred shall be final and conclusive

Annexure 1: Format for Letter of EoI, In case of a Sole IB

(To be typed on the letterhead of the IB submitting the EoI)

Reference No. _____ Date _____

To,

Mr. Mukesh Aggarwal
Vice President (Infrastructure Group)
5th Floor World Trade Tower
Connaught Place, Barakhamba Lane
New Delhi - 110001
India.

Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF SRAVANTHI ENERGY PRIVATE LIMITED

Sir,

This is with reference to the Advertisement dated ----- inviting Expression of Interest for Strategic sale of ~51% equity stake of SRAVANTHI ENERGY PRIVATE LIMITED along with management control.

As specified in the Advertisement, we have read and understood the contents of the Process Document (PD) and are desirous of participating in the above Strategic Sale process, and for this purpose:

We propose to submit our EoI in individual capacity as _____ (insert name of interested bidder) having its registered office at _____ (insert office address).

We understand that ~ 51% equity stake along with management control is proposed to be sold and we are interested in bidding for the same.

We believe that we satisfy the eligibility criteria set out in relevant sections of the PD.

We certify that in regard to matters other than security and integrity of the country (India), we have not been convicted by a Court of law or indicted or adverse orders passed by a regulatory authority which would cast a doubt on our ability to manage the Company if we are selected or which relates to a grave offence that outrages the moral sense of the community.

We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our group concerns.

We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against our CEO or any of our Directors/Managers/employees.

We undertake that in case due to any change in facts or circumstances during the pendency of the Strategic Sale process, we are attracted by the provisions of disqualification in terms of the PD; we would intimate Advisor of the same immediately.

We have also attached information according to the standard form. The information furnished by us in this EOI is true, correct and accurate to the best of our knowledge. Based on this information we understand you would be able to evaluate our preliminary proposal in order to pre-qualify for the above mentioned proposal.

We however, understand and acknowledge Lenders/ Lender's Agent right to decide whether or not to qualify our proposal without assigning any reason whatsoever and without any liability.

The Statement of Legal Capacity and Form A as per formats given in Annexure of this PD, duly signed by us are enclosed.

We shall be glad to receive further communication on the subject.

Yours faithfully,

Authorised Signatory
For and on behalf of the interested party

Enclosure:

1. Statement of Legal Capacity

Annexure 2: Format for Letter of EoI, in case there is a Consortium of IBs

(To be typed on the letterhead of Lead Member of the Consortium submitting the EoI)

Reference No. _____ Date _____

To,
Mr. Mukesh Aggarwal
Vice President (Infrastructure Group)
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road
New Delhi -110001

Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF SRAVANTHI ENERGY PRIVATE LIMITED

Sir,

This is with reference to the Advertisement dated ----- inviting Expression of Interest for Strategic Sale of ~51% equity stake of Sravanthi Energy Private Limited.

As specified in the Advertisement, we have read and understood the contents of the Process Document (PD) and are desirous of participating in the above strategic sale process, and for this purpose:

We have formed/propose to form a consortium comprising of members as follows:

1. _____(Insert name)/ % of Shareholding in the Consortium
2. _____(Insert name)/ % of Shareholding in the Consortium
3. _____(Insert name)/ % of Shareholding in the Consortium

.....will be the Lead Member of the Consortium.

We understand that ~51% equity stake along with management control is proposed to be sold and we are interested in bidding for the same.

We believe that we satisfy the eligibility criteria set out in relevant sections of the PD.

We certify that in regard to matters other than security and integrity of the country (India), we have not been convicted by a Court of law or indicted or adverse orders passed by a regulatory authority which would cast a doubt on our ability to manage the Company if we are selected or which relates to a grave offence that outrages the moral sense of the

community.

We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government or convicted by a Court of Law for any offence committed by us or by any of our group concerns.

We further certify that no investigation by a regulatory authority is pending against either of our members of the consortium or against their respective group concerns or against their respective CEO or any of their respective Directors/Managers/ employees.

We undertake that in case due to any change in facts or circumstances during the pendency of the Strategic Sale process, we are attracted by the provisions of disqualification in terms of the PD; we would intimate Advisor of the same immediately.

We have also attached information according to the standard form. The information furnished by us in this EOI is true, correct and accurate to the best of our knowledge. Based on this information we understand you would be able to evaluate our preliminary proposal in order to pre-qualify for the above mentioned proposal.

We however, understand and acknowledge that Lenders/ Lender's Agent reserve the right to decide whether or not to qualify our proposal without assigning any reason whatsoever and without any liability.

The Statement of Legal Capacity and Form A as per formats given in Annexure of this PD, duly signed by us are enclosed.

We shall be glad to receive further communication on the subject.

Yours faithfully,
Authorised Signatory
For and on behalf of the interested party

Enclosure:

1. Statement of Legal Capacity
2. Certified true Copy of the Consortium Agreement between the Consortium members.

Annexure 3: Statement of Legal Capacity for sole Interested Bidder
(To be forwarded on the letterhead of the interested bidder submitting the EoI)

Reference No. _____ Date _____

Mr. Mukesh Aggarwal
Vice President
Infrastructure Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road
New Delhi -110001

**Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF
SRAVANTHI ENERGY PRIVATE LIMITED**

Sir,

This is with reference to the Advertisement dated ----- inviting "Expression of Interest for Strategic Sale of ~51% equity stake of Sravanthi Energy Private Limited along with management control".

We have read and understood the contents of the PD and the Advertisement and pursuant to this hereby confirm that:

We satisfy the eligibility criteria laid out in the PD and the Advertisement.

We agree that _____ (insert individual's name and designation) will act as our representative on our behalf and has been duly authorized to submit the EoI. Further, the authorized signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully

Authorised Signatory
For and on behalf of the interested party

Annexure 4: Statement of Legal Capacity for Consortium Members

(To be forwarded on the letterhead of each member of the consortium submitting the EoI)

Reference No. _____ Date _____

Mr. Mukesh Aggarwal
Vice President
Infrastructure Group
SBI Capital Markets Ltd.
5th Floor, World Trade Tower,
Barakhamba Road
New Delhi -110001

Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC SALE OF SRAVANTHI ENERGY PRIVATE LIMITED

Sir,

This is with reference to the Advertisement dated inviting "Expression of Interest for Strategic Sale of ~51% equity stake of Sravanthi Energy Private Limited along with management control".

We have read and understood the contents of the PD and the Advertisement and pursuant to this hereby confirm that:

We satisfy the eligibility criteria laid out in the PD and the Advertisement.

We are members of a consortium - [●] (constitution of which has been described in the Expression of Interest), which jointly satisfies the eligibility criteria as detailed in the PD.

We have agreed that _____ (insert member's name) will act as the lead member of our consortium.

We have agreed that _____ (insert the name of the individual and designation) be chosen as representative of our consortium and on our behalf and has been duly authorized to submit the EoI. Further, the authorized signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

Authorised Signatory
For and on behalf of member

Annexure 5: Form A (this Form A is an integral part of the EoI)

Individual Bidder							
1.	Name of the Firm/ Company/ Organisation: Constitution details: Corporate Address: Registered Address: Telephone No: Fax: Email:						
2.	Contact Person: Name: Designation: Telephone No: Email:						
3.	Company Profile Date of incorporation: CIN No: VAT No: PAN No: Shareholding Pattern <i>(or similar documents along with the supporting documents)</i>						
4.	Core area of expertise of the Firm/Company/Organisation:						
5.	Key operations/Financials parameters of last three years <i>(Tentative – Investors to fill in the relevant parameters as per applicable)</i> <i>Financial parameters to be submitted on standalone as well as consolidated basis as applicable)</i>	FY	Unit	2014	2015	2016	
Operational							
Installed Capacity*		MW					
Utilization*		%					
Sector Experience/ Man-years of Experience		Yrs					
Assets Under Management		Rs Crs/ USD Mn					
Financial							
Sales		Rs Cr/USD Mn					
EBITDA							
PAT							
Net Worth							
TOL/TNW							
Credit Rating							

		Return on Assets	%			
		<p>* Relevant parameters may be included in case bidder is from other industry</p> <p>Investors may incorporate other suitably relevant parameters supporting technical expertise/ financial strength</p>				
6	<p>Experience/ major projects handled by the Firm/Company/Organisation (Along with value and time of completion/award):</p>					
7	<p>Company Credentials (especially related to</p> <ol style="list-style-type: none"> 1. Turnaround/power sector/operations to establish the case for qualification) 2. Technical collaborations with Power sector experts 					
Consortium of Bidders - Provide details of						
1.	<p>Consortium Leader Details Name of the Company: Name & Designation of the contact person: Corporate/ Registered Address: Telephone No: Fax: Email:</p>					
2.	<p>Other Consortium Member's Details Name of the Company: Name & Designation of the contact person: Corporate/ Registered Address: Telephone No: Fax: Email:</p>					
3.	<p>Profile of the consortium / Including leader Date of incorporation: CIN No: VAT No: PAN No: Shareholding Pattern (or similar documents along with the supporting documents)</p>					
4.	<p>Core area of expertise of consortium partners (include other, if from related industry)</p>					

5	Key operations/Financials parameters of last three years for Consortium partners (Tentative – Investors to fill in the relevant parameters as per applicable) Financial parameters to be submitted on standalone as well as consolidated basis as applicable)	FY	Unit	2014	2015	2016
		Operational				
		Installed Capacity*	MW			
		Utilization*	%			
		Sector Experience/ Man-years of Experience	Yrs			
		Assets Under Management	Rs Crs/ USD Mn			
		Financial				
		Sales	Rs Cr/USD Mn			
		EBITDA				
		PAT				
		Net Worth				
		TOL/TNW				
		Credit Rating				
		Return on Assets	%			
		Investors may incorporate other suitably relevant parameters supporting technical expertise/ financial strength				
6.	Experience/ major projects handled by the consortium partners (include other, if from related industry)					
7.	Company Credentials (especially related to 1. Turnaround/power sector/operations to establish the case for qualification) 2. Technical collaborations with Power sector experts (include other, if from related industry)					

Further, following details/documents shall be incorporated for respective bidder/consortium partner where ever applicable -

- 1) If the interested party is a foreign company/ OCB, specify list of statutory approvals from GOI/ RBI/ FIPB applied for/ obtained/awaited.
- 2) Memorandum and Articles of Association/Document of Constitution, i.e., Partnership Deed, Trust Deed, etc., as may be applicable.
- 3) Audited Financial Statements/ Annual Reports for the previous three financial years.

- 4) Role/ Interest of each Member in the Consortium (if applicable)
- 5) Details of Team (in case of Financial Investor(s)) along with experience and details of experience in specific sector
- 6) Please provide details of all contingent liabilities that, if materialised, that have or would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the company, or other similar business combination or sale.

Yours faithfully,

Authorised Signatory
For and on behalf of the consortium (party/ member)

Place:

Date:

Note: *Please follow the order adopted in the Format provided. If the interested party is unable to respond to a particular question/request, the relevant number must be nonetheless be set out with the words "No response given" against it.*

Annexure 6: Advertisement

**INVITATION FOR EXPRESSION OF INTEREST (EOI) FOR TAKING OVER APPROX. 51%
EQUITY STAKE
IN SRAVANTHI ENERGY PRIVATE LIMITED**

SBI Capital Markets Limited (“**SBICAP**”), has been mandated, by IFCI Limited (“**IFCI**” or Lead Bank) on behalf of consortium lenders, to identify a strategic investor for Sravanthi Energy Private Limited (“**SEPL**” or “**Company**”), implementing 450 MW gas based Combined Cycle thermal Power Project (CCPP) (“**Project**”) near Kaikhera village, Kashipur tehsil, Udhamsingh District in the State of Uttarakhand, in Phase I and Phase II of 225 MW each.

SEPL is an unlisted entity and the Lenders have acquired about 51% stake in the company. The lenders propose to divest their stake along with management control. SBICAP on behalf of Lenders invites Expressions of Interest (EOI) from investors/consortium of investors having adequate financial and technical capability as acceptable to the Lenders to acquire approx. 51% equity stake in the Company.

Interested parties may submit the EOI as per the enclosed format by 5:00 p.m. on **25-December-2016** by emailing it at mukesh.aggarwal@sbicaps.com or hand delivering it in a sealed envelope to Mr. Mukesh Aggarwal, Vice President, SBI Capital Markets Limited, 5th Floor World Trade Tower, Connaught Place, Barakhamba Lane, New Delhi - 110001.

Interested bidders may refer to Company teaser for the bidding process uploaded on the SBICAP website (www.sbicaps.com). Shortlisted parties will be provided access to further detailed information as may be required for submission of detailed proposal / bid.

In case of any clarifications, please contact the following:

Contact Person	Telephone number	E-mail ID
Mr. Mukesh Aggarwal (VP, SBICAP)	+91-11-23416294	mukesh.aggarwal@sbicaps.com
Mr. Neha Gupta (AVP, SBICAP)	+91-11-23485313	neha.gupta@sbicaps.com



Note: Lenders reserve the right to cancel or modify the process without assigning any reason and without any liability. This is not an offering document. Applicants should regularly visit the above website to keep themselves updated regarding clarifications/ amendments/ time-extensions, if any.