

# PROCESS DOCUMENT

*for sale of*

## MAJORITY SHAREHOLDING IN PRAYAGRAJ POWER GENERATION COMPANY LIMITED (PPGCL)



*(Strictly Private & Confidential)*

*Transaction Advisor*



**SBI Capital Markets Limited**

6th Floor, World Trade Tower, Barakhamba Lane, New Delhi 110 001

Head Office: 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005

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December 2017

## CONTACT PERSONS

<p><b>SBI CAPITAL MARKETS LIMITED</b></p> <p>(A Subsidiary of State Bank of India) 6<sup>th</sup> Floor, World Trade Tower, Barakhambha Lane, Connaught Place, New Delhi 110 001 Tel. +91-11 2341 8460 Fax. +91-11 2341 7783 Website: <a href="http://www.sbicaps.com">www.sbicaps.com</a></p>	<ol style="list-style-type: none"><li><b>1. Mr. Mukesh Aggarwal</b> Vice President, Project Advisory &amp; Structured Finance Ph. 011-2341 6294 Fax 011-2341 7783 Mob. 91-9717888064 e-mail: <a href="mailto:mukesh.aggarwal@sbicaps.com">mukesh.aggarwal@sbicaps.com</a></li><li><b>2. Mr. Rahul Gupta</b> Assistant Vice President, Project Advisory &amp; Structured Finance Ph. 011-23485309 Mob. 91-9650052253 e-mail: <a href="mailto:rahul.gupta@sbicaps.com">rahul.gupta@sbicaps.com</a></li><li><b>3. Mr. Devesh Tripathi</b> Manager, Project Advisory &amp; Structured Finance Ph. 011-23485327 Mob. 91-8586981620 e-mail: <a href="mailto:devesh.tripathi@sbicaps.com">devesh.tripathi@sbicaps.com</a></li><li><b>4. Ms. Prerna Singh</b> Deputy Manager, Project Advisory &amp; Structured Finance Ph. 011-23485370 Mob. 91-9582260106 e-mail: <a href="mailto:prerna.singh@sbicaps.com">prerna.singh@sbicaps.com</a></li></ol>
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## ABBREVIATIONS

AUM	:	Assets Under Management
CIN	:	Corporate Identification Number
EBITDA	:	Earnings Before Interest, Tax, Depreciation & Amortization
EoI	:	Expression of Interest
FI	:	Financial Investor
FY	:	Financial Year
GOI	:	Government of India
GST	:	Goods & Services Tax
GSTIN	:	Goods & Services Tax Identification Number
IB	:	Interested Bidder(s)
MW	:	Mega Watt
NBFC	:	Non-Banking Financial Company
NDA	:	Non-Disclosure Agreement
O&M	:	Operations & Management
OCB	:	Other Corporate Bodies
PAT	:	Profit After Tax
PAN	:	Permanent Account Number
PD	:	Process Document
PPGCL	:	Prayagraj Power Generation Company Limited
PSU	:	Public Sector Undertaking
RBI	:	Reserve Bank of India
RFP	:	Request for Proposal
SBI	:	State Bank of India
SBICAPS	:	SBI Capital Markets Limited
SI	:	Strategic Investor
TNW	:	Tangible Net Worth
TOL	:	Total Outside Liabilities
TPP	:	Thermal Power Project

## Chapter 1 –Proposed Transaction

- 1) Prayagraj Power Generation Company Limited (“PPGCL”) has set up a 1980 MW (3x660 MW) coal based thermal power project with super-critical technology at Tehsil Bara, District Allahabad, Uttar Pradesh.
- 2) The security trustee to the Lenders holds 89.47% of shares (including preference shares of 8.36%) on behalf of the Lenders (*as defined below*). The Lenders now propose to sell majority shareholding in PPGCL (“**Proposed Transaction**”).
- 3) State Bank of India (“SBI” or “Lead Bank” or “Lenders’ Agent”) acting on behalf of the consortium of lenders (“Lenders”), has mandated SBI Capital Markets Limited (“SBICAPS” or “Transaction Advisor”) as the advisor for effecting the Proposed Transaction.
- 4) The Proposed Transaction entails induction of a strategic and/or financial investor (“Investor(s)” or “Interested Bidder(s)” or “IB”) in PPGCL to take over the majority shareholding in the Company, held by the security trustee on behalf of the Lenders. IB may also consist of a consortium of interested investors.
- 5) This Process Document (“PD”) contains instructions to the Investor(s) for submitting their expression of interest (“EoI”) along with the non-disclosure agreement (“NDA”) to the Transaction Advisor in order to proceed with the Proposed Transaction. This PD contains the following:
  - a. Instructions for submission of EoI;
  - b. Qualifying criteria for evaluation of EoIs;
  - c. Indicative conditions/ circumstances which may lead to disqualification of an IB;
  - d. Format for submission of an EoI;
  - e. Format for statement of legal capacity;
  - f. Form A;
  - g. Format for the NDA;
  - h. Advertisement as published in the news-papers.
- 6) IBs will be required to sign the NDA and respond in the format as detailed in this PD latest by 5:00 pm on 29-December-2017.
- 7) An EoI shall be liable to be rejected by the Lenders:
  - a) if the IB fails to (i) meet technical criteria or financial criteria or any other qualifying criteria as set out in Chapter 3 of this PD; or (ii) strictly adhere to the terms of the PD in relation to the submission of the EoI; or (iii) provide complete, true and sufficient details in the EoI; or
  - b) for any other reason as may be deemed fit, without assigning any reason whatsoever.

- 8) Post evaluation of the EoIs by the Lenders, the shortlisted IB will be provided with the Request for Proposal (“RFP”) and access to the data room to review the documents pertaining to the Company and to carry out the due diligence of the Company upon payment of a processing fee of Rs. 5,00,000/- (Rupees Five Lakhs only) plus applicable GST (current rate at 18%), to the Lead Bank in the bank account as mentioned below:

**Account Name: Prayagraj Power Generation Co Ltd - TRA Account**

**Account Number: 31683834063**

**Branch: Corporate Accounts Group-II, New Delhi**

**IFSC: SBIN0017313**

- 9) The shortlisted IB would be given access to the data room till the date allowed for submission of the final bid by the IB, in order to undertake review of the relevant documents pertaining to the Company and to enable them to conduct due diligence on the Company.
- 10) Subsequently, a site visit (cost of which shall be borne by the shortlisted IB) would be scheduled to facilitate the shortlisted IB in its assessment of the business of the Company. The modalities related to the visit and access to the data room for due diligence will be communicated to the shortlisted IB separately, in due course.
- 11) The Proposed Transaction shall be on ‘as is where is’ basis. The shortlisted IB shall carry out its own due diligence, independent assessment and appraisal of the Company and the Proposed Transaction. The Lenders or the Transaction Advisor or their consultants, agents, officials and employees hereby make no representations in relation thereto and shall not be liable in any manner whatsoever.
- 12) The shortlisted IB would be required to submit its financial bid/proposal (in accordance with the terms of the RFP) on or before a pre-determined date which shall be intimated to the shortlisted IB, at the time of issuance of RFP. The Lenders reserve the right to accept or reject the bid submitted by the shortlisted IB with or without assigning any reason. A committee may also be formed, at the discretion of the Lenders, comprising of member banks of the consortium along with external parties to evaluate the bid, proposed to be submitted by the shortlisted IB and address any specific complexity in relation to the Proposed Transaction. In case there is only one offer, Lenders/Lead Bank may accept the same at their own discretion. The Lenders shall have the right to negotiate better terms and conditions in relation to the Proposed Transaction with the IB.
- 13) The Lenders/Transaction Advisor reserve their right to modify/postpone/cancel or call off the Proposed Transaction without assigning any reason whatsoever. The Lenders/Transaction Advisor also reserve the right to call for any additional document/information from the IB, which may be considered necessary without any liability to the Lenders/Transaction Advisor.

- 14) Any clarification, if required, should be submitted in writing or by email to the persons set out in this PD on or before 5.00 pm on 26-December-2017. The Lenders/Transaction Advisor reserve the right not to respond to queries raised or to provide clarifications sought, at their sole discretion. Nothing in this PD shall be taken or read as compelling or requiring the Lenders/Transaction 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/Transaction Advisor have not responded to any queries/provided any clarification to the IB.
- 15) This PD and all related communication and documents shall be subject to the terms of the RFP, which may clarify, modify or amend the process or requirements set out herein. In the event of any conflict between the terms of the PD and the RFP, the terms of RFP shall prevail. In the event of any conflict between the terms of the PD and the Advertisement, the terms of PD shall prevail.
- 16) The IB acknowledges that this PD (except the NDA) and EoI do not create any binding obligation on any of the parties. In case of any dispute between the parties in respect of interpretation of the terms of the advertisement inviting EoI, this PD or anything arising there from, such dispute or difference shall be referred to the Lead Bank and the Lead Bank shall adjudicate and decide the disputes, if any, between the parties and its decision in this regard shall be final, conclusive and binding on the parties. The laws of India shall govern all matters relating to the Proposed 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 29-December-2017 either at the office of SBI Capital Markets Limited (the address of which is given below) by post, courier or hand delivery (at the risk and cost of IBs) in a sealed envelope clearly marked or by emailing it to [mukesh.aggarwal@sbicaps.com](mailto:mukesh.aggarwal@sbicaps.com). In the event the EoI is received by any other means, the same shall not be accepted by the Transaction Advisor. The signed and stamped NDA shall also be submitted in the manner specified hereinabove.

### **“Private and Confidential–Expression of Interest for Sale of Majority Shareholding in Prayagraj Power Generation Company Limited - [name, registered address of IB]”**

#### **Designated Official:**

Mr. Mukesh Aggarwal  
Vice President  
Project Advisory & Structured Finance  
SBI Capital Markets Ltd.  
5th Floor, World Trade Tower,  
Barakhamba Road  
New Delhi -110001

- 1) The Lenders/Transaction Advisor shall bear no responsibility for non-receipt of EoI and the stamped and signed NDA/any other correspondence sent by post/courier. The EoIs submitted after the above-mentioned date will not be accepted. It is hereby clarified that the data access shall be provided to the IB only after submission of the stamped and signed NDA and payment of processing fee.
- 2) The IBs shall bear all costs associated with the preparation and submission of the EoI and the stamped and signed NDA. The Lenders/Transaction Advisor shall not, under any circumstances be responsible or liable for any such costs in this regard, whether direct, incidental or consequential.
- 3) The EoI and the stamped and signed NDA, as required to be submitted shall consist of the following:
  - A. Description: Brief overview of the business operations of the IB and strategic objectives for pursuing the Proposed Transaction, including past experience in investments, operation and/or management of power plants/related business(s).
  - B. Principal: Confirmation that the EoI along with the stamped and signed NDA 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) Important Timelines:

Table 1: Indicative Timeline

Event	Date
Submission of queries, if any, & receipt of same by Transaction Advisor	5:00 PM (IST), 26-December-2017
Last date & time for Submission of EoIs	5:00 PM (IST), 29-December-2017
Declaration of shortlisted IBs	30-December-2017

## Chapter 3 - Qualifying Criteria

- 1) The EoI submitted by the IB shall be examined and evaluated by the Lenders/Transaction Advisor based on the information and documents furnished by the IB, as part of the EoI, and in accordance with the terms and conditions detailed in this PD.
- 2) The IB may include any individual (resident of India, foreign national, non-resident Indian or a person of Indian origin, as defined under Foreign Exchange Management Act, 1999 and any related amendments), trust, co-operative society, private limited company, public limited company, sole proprietary firm or a partnership firm, all registered in India or a company registered outside India, which is eligible to invest in India under the laws of India (subject to such parties obtaining all applicable statutory approvals by themselves). The IB may also consist of a consortium of interested investors.
- 3) The IBs can be a strategic investors (“SI”) and/ or a financial investor (“FI”). The eligibility criterion for both, SI and FI have been detailed below. The SI may include corporate entities having experience in similar sectors with domestic or global experience or both. The FI may include private equity funds, investment funds etc. Please note that this is an indicative list and is not exhaustive and has been presented for illustration purposes only.
- 4) The IB should demonstrate the following technical and financial capacity (“**Qualifying Criteria**”):

### A. Technical Capacity

- The IB, directly or through an Affiliate, should either have developed and/or is currently operating a thermal power plant capacity of at least 500 MW as on the date of submission of EoI. The Affiliate for this purpose would be defined as under:

“**Affiliate**” with respect to any person shall mean any other person which, directly or indirectly: (1) Controls such person; or (2) is Controlled by such person; or (3) is Controlled by the same person who, directly or indirectly, Controls such person;

“**Control**” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. *Provided that* a person shall be deemed to be in control of another person only if it holds at least 26% (twenty six percent) of voting/ownership rights. The term “**Controlled**” shall be read in accordingly.

Or,

- In case where the IB does not have the experience in developing or operating a thermal power project, such IB may enter into a tie-up with a technical partner who meets the above technical criteria (with a minimum of 20% (twenty percent) equity shareholding in such joint venture/consortium) or engage an operations and management (O&M) contractor who meets the above technical criteria, for a period of at least 5 (five) years.

The IB shall submit an undertaking to engage an O&M contractor (along with tentative names of such parties) while submitting the EoI. The appropriate agreement however would be required to be submitted at the time of submission of the bid, in accordance with the terms of the RFP.”

## B. Financial Capacity

- i. Financial Capacity of a SI (*to be duly certified by a chartered accountant/statutory auditor*)
  - Internal Resource Generation of Rs. 600,00,00,000 (Rupees Six Hundred Crores), computed as 3 (three) times the maximum internal resources generated during the last 3 (three) financial year of business operations;

*For the purpose of the EoI, “Internal Resource Generation”= (profit after tax) + (depreciation & amortization) + (decrease in net current assets excluding cash) + (Any other non-cash expenditure including deferred tax) – (scheduled loan repayments and increase in net current assets excluding cash).*

OR

- Annual Turnover of Rs. 2,500,00,00,000 (Rupees Two Thousand Five Hundred Crores only), derived from the audited annual statement for the past 3 (three) financial year;

In addition to Internal Resource Generation/ Annual Turnover, the IB shall have a consolidated net worth/shareholders’ funds of Rs. 1000,00,00,000 (Rupees One Thousand Crores only) or more in the immediately preceding financial year; where

*For the purpose of the EoI, “Net worth” = (paid up equity share capital) + (reserves & surplus) – (revaluation reserves) – (intangible assets) – (miscellaneous expenditure to the extent not written off and carry forward losses).*

- ii. Financial Capacity of a FI (*to be self-certified by the authorized signatory*)
  - Minimum Assets Under Management (“AUM”) of Rs. 3000,00,00,000 (Rupees Three Thousand Crores only) in the immediately preceding completed financial year,

OR

- Committed funds available for investment/deployment in Indian companies or Indian assets of Rs. 1500,00,00,000 (Rupees One Thousand Five Hundred Crores only) or more in the immediately preceding completed financial year.
- 5) In the event the IB is a consortium, it should fulfill the following requirements:
- i. The consortium shall consist of not more than 3 (three) members with shareholding of an individual member not being less than 20% (twenty percent). The consortium would be required to have a lead consortium member and no change in the composition of the consortium shall be permitted during the next 5 (five) years without the prior written approval of the Lenders.
  - ii. In the event the consortium is made up of body corporates, the Internal Resource Generation or Annual Turnover and TNW of consortium shall be calculated as the weighted average of the Internal Resource Generation or Annual Turnover of the individual member and TNW (value of any negative parameter shall be considered as nil). *Provided that* only such portion of their Internal Resource Generation or Annual Turnover and TNW as is proportionate to their shareholding in the consortium will be considered towards the qualification criteria under the EoI.
  - iii. In the event the consortium is made up of FI/funds/private equity investors/non-banking financial companies/any other applicants, the minimum AUM of consortium shall be calculated as weighted average of individual member's AUM or committed funds available for investment/deployment in Indian companies shall be calculated as weighted average of individual member's committed fund to investment/deployment in Indian companies. *Provided that* only such portion of their AUM/committed funds as is proportionate to their shareholding in the consortium will be considered towards the qualification criteria under the EoI.
  - iv. In the event the consortium is made up of body corporates, FIs/funds/private equity investors/non-banking financial institutions/any other applicants, the qualifying criteria for the lead member shall be considered under the EoI.
  - v. No change in lead member or any member whose financials have been used to meet the qualification criteria set out herein shall be permitted after the last date for submission of the EoI.
  - vi. Any fund/corporate entity can participate in only 1 (one) consortium or can submit only 1 (one) EoI.
  - vii. Incorporation of a special purpose vehicle (in the form of a company) in India shall be mandatory, prior to entering into definitive agreements, in accordance with the terms of the RFP.

- 6) Any state entity/public sector undertaking (“PSU”) having a minimum operational power plant capacity of 500 MW or net worth of Rs. 1000,00,00,000 (Rupees One Thousand Crores only) shall not be required to submit the EoI and would be eligible to directly procure the RFP, without any cost and submit its bid, in accordance with the terms of the RFP.
  
- 7) Any Government promoted fund/quasi sovereign wealth fund shall not be required to meet the technical/financial criteria, as stated above. Further, such funds shall not be required to submit the EoI and would be eligible to directly procure the RFP, free of cost and submit its bid, in accordance with the terms of the RFP.

## Chapter 4 – Disqualifications

- 1) The Transaction Advisor/Lenders shall not consider for the purpose of qualification, any EoI which has been found to be incomplete in content or attachments.
- 2) Without prejudice, the IB may be disqualified and its EoI may be excluded from further consideration in relation to the Proposed Transaction, on account of non-compliance with the terms hereof or for any of the reasons (including without limitation) listed below at the sole and absolute discretion of the Lenders. In the event the IB is a consortium, none of the members should be subject to disqualification under the following terms of the PD:
  - a. Material misrepresentation by the IB in the EoI.
  - b. Failure by the IB to provide the information required to be provided (including signed NDA) 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 is not satisfying the qualification criteria, set out under the PD and hence is not being eligible. Without prejudice to the generality of the above, the criteria may include among others, the track record (financial, operational strength, turnaround experience or otherwise) of the IB, IB's financial strength, etc.
  - e. Failure to comply with any request of Transaction Advisor/Lenders in relation to the Proposed Transaction including providing further documents, details or information in relation to the EoI or documents submitted in relation to the EoI.
  - f. If it is discovered at any time that the IB is subject matter of any winding up/insolvency proceedings or has taken any step to apply for it or any analogous proceedings.
  - g. The IB is unable to pay its debts or is otherwise insolvent or has entered into any discussions with its lenders for rescheduling of its debts or for any arrangement or compromise in relation to a debt.
  - h. If execution or distress is levied on or any receiver is appointed in respect of any material assets of the IB.
  - i. Any information regarding the IB which becomes known to Transaction Advisor/Lenders which is detrimental to effecting the Proposed Transaction and/or the interests of the Lenders.

- j. Initiation or existence of any legal proceedings, by or against the IB in respect of PPGCL or its affiliates or group, which proceeding may be prejudiced by the participation of the IB in the selection process or the Proposed Transaction by the Transaction Advisor, in consultation with Lenders.
  - k. 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 Transaction Advisor/ Lenders to reject the EoI of the IB, the Lenders reserves the right to reject the IB at the time such information becomes known to the Transaction Advisor/Lenders. In the event the IB is a consortium, the Lenders, would disqualify the entire consortium, even if it applied to only one member of such consortium.
- 4) The Lenders determination that 1 (one) or more of the events specified herein above has occurred shall be final and conclusive.

**Annexure 1: Format for Letter of EoI, in case of an IB**

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

Reference No. \_\_\_\_\_ Date \_\_\_\_\_

To,

Mr. Mukesh Aggarwal  
Vice President  
Project Advisory & Structured Finance  
SBI Capital Markets Limited  
5th Floor World Trade Tower  
Connaught Place, Barakhamba Lane  
New Delhi - 110001  
India

**Sub: INVITATION OF EXPRESSION OF INTEREST FOR SALE OF MAJORITY SHAREHOLDING IN PRAYAGRAJ POWER GENERATION COMPANY LIMITED**

Sir,

This is with reference to the Advertisement dated ----- (“**Advertisement**”) inviting Expression of Interest (“**EoI**”), forming part of the bidding process document (“**PD**”) for sale of majority shareholding of Prayagraj Power Generation Company Limited (“**Company**”).

As specified in the Advertisement, we have read and understood the contents of the PD and are desirous of participating in the abovementioned 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 majority shareholding in PPGCL is proposed to be sold and we are interested in bidding for the same.

We believe that we satisfy the qualifying criteria set out in relevant sections of the PD. The computation for qualification criteria has been placed hereunder and duly certified documents are enclosed alongwith.

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



*Process Document*

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 key managerial personnel.

We undertake that in case due to any change in facts or circumstances during the pendency of the Proposed Transaction (as defined in the PD), if we incur any disqualification in terms of the PD; we would intimate the Transaction 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. Based on this information we understand you would be able to evaluate our preliminary proposal in order to 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, Form A and Non-Disclosure Agreement 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,

Authorized Signatory  
For and on behalf of the interested party

Enclosure:

1. Statement of Legal Capacity
2. Duly certified Financial criteria
3. Form A
4. Non-Disclosure Agreement

**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  
Project Advisory & Structured Finance  
SBI Capital Markets Ltd.  
5th Floor, World Trade Tower,  
Barakhamba Road  
New Delhi -110001  
India

**Sub: INVITATION OF EXPRESSION OF INTEREST FOR SALE OF MAJORITY SHAREHOLDING IN PRAYAGRAJ POWER GENERATION COMPANY LIMITED**

Sir,

This is with reference to the Advertisement dated -----("Advertisement") inviting Expression of Interest ("EoI"), forming part of the bidding process document ("PD") for sale of majority shareholding of Prayagraj Power Generation Company Limited ("Company").

As specified in the Advertisement, we have read and understood the contents of the PD and are desirous of participating in the abovementioned 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 majority shareholding is proposed to be sold and we are interested in bidding for the same.

We believe that we satisfy the qualifying criteria set out in relevant sections of the PD. The computation for qualification criteria has been placed hereunder and duly certified documents are enclosed alongwith.

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 key managerial personnel.

We undertake that in case due to any change in facts or circumstances during the pendency of the Proposed Transaction (as defined in the PD), if we incur any disqualification in terms of the PD; we would intimate the Transaction 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. Based on this information we understand you would be able to evaluate our preliminary proposal in order to 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, Form A and Non-Disclosure Agreement 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,

Authorized Signatory  
For and on behalf of the interested party

Enclosure:

1. Statement of Legal Capacity
2. Duly certified Financial criteria
3. Form A
4. Non-Disclosure Agreement

**Annexure 3: Statement of Legal Capacity for Interested Bidder**

(To be forwarded on the letterhead of the interested bidder submitting the EoI)

Reference No. \_\_\_\_\_ Date \_\_\_\_\_

Mr. Mukesh Aggarwal  
Vice President  
Project Advisory & Structured Finance  
SBI Capital Markets Ltd.  
5th Floor, World Trade Tower,  
Barakhamba Road  
New Delhi -110001  
India

**Sub: INVITATION OF EXPRESSION OF INTEREST FOR SALE OF MAJORITY SHAREHOLDING IN PRAYAGRAJ POWER GENERATION COMPANY LIMITED**

Sir,

This is with reference to the Advertisement dated -----("Advertisement") inviting Expression of Interest ("EoI"), forming part of the bidding process document ("PD") for sale of majority shareholding of Prayagraj Power Generation Company Limited.

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

We satisfy the qualifying 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 and NDA. Further, the authorized signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully

Authorized 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  
Project Advisory & Structured Finance  
SBI Capital Markets Ltd.  
5th Floor, World Trade Tower,  
Barakhamba Road  
New Delhi -110001  
India

**Sub: INVITATION OF EXPRESSION OF INTEREST FOR SALE OF MAJORITY SHAREHOLDING IN PRAYAGRAJ POWER GENERATION COMPANY LIMITED**

Sir,

This is with reference to the Advertisement dated -----("Advertisement") inviting Expression of Interest ("EoI"), forming part of the bidding process document ("PD") for sale of majority shareholding of Prayagraj Power Generation Company Limited.

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

We satisfy the qualifying 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 Qualifying 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 and NDA. Further, the authorized signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

Authorized Signatory  
For and on behalf of member

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

Individual Bidder							
1.	<b>Name of the Firm/ Company/ Organization:</b> Constitution details: Corporate Address: Registered Address: Telephone No: Fax: Email:						
2.	<b>Contact Person:</b> Name: Designation: Telephone No: Email:						
3.	<b>Company Profile</b> Date of incorporation: CIN: GSTIN: PAN: Shareholding Pattern: <i>(or similar documents along with the supporting documents)</i>						
4.	<b>Core area of expertise of the Firm/Company/Organization:</b>						
5.	<b>Key operations/financials parameters of last three years</b> <i>(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>	<b>FY</b>	<b>Unit</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
		<b>Operational</b>					
		Installed Capacity*	MW				
		Utilization*	%				
		Sector Experience/ Man-years of Experience	Yrs				
		Assets Under Management	Rs. Cr. / USD				
		Committed funds available for investment/ deployment in Indian companies or Indian assets	Rs. Cr. / USD Mn.				
		<b>Financial</b>					
		Turnover					

		Internal Resource Generation	Rs. Cr./US D 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                      IB may incorporate other suitably relevant parameters supporting technical expertise/ financial strength</p>				
6	<b>Experience/ major projects handled by the Firm/ Company/ Organization</b> (Along with value and time of completion/ award):					
7	<b>Company Credentials</b> (especially related to 1. Turnaround/power sector/operations to establish the case for qualification) 2. Technical collaborations with Power sector experts					
<b>Consortium of Bidders - Provide details of</b>						
1.	<b>Consortium Leader Details</b> Name of the Company: Name & Designation of the contact person: Corporate/ Registered Address: Telephone No: Fax: Email:					
2.	<b>Other Consortium Member's Details</b> Name of the Company: Name & Designation of the contact person: Corporate/ Registered Address: Telephone No: Fax: Email:					

3.	<b>Profile of the consortium / Including leader</b> Date of incorporation: CIN: GSTIN: PAN: Shareholding Pattern: <i>(or similar documents along with the supporting documents)</i>					
4.	<b>Core area of expertise of consortium members</b> <i>(include other, if from related industry)</i>					
5.	<b>Key operations/Financials parameters of last three years for Consortium members</b> <i>(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	2015	2016	2017
<b>Operational</b>						
Installed Capacity*		MW				
Utilization*		%				
Sector Experience/ Man-years of Experience		Yrs				
Assets Under Management		Rs Crs/ USD Mn				
Committed funds available for investment/ deployment in Indian		Rs Crs/ USD Mn				
<b>Financial</b>						
Turnover						
Internal Resource Generation		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.	<b>Experience/ major projects handled by the consortium members</b> <i>(include other, if from related industry)</i>					



**Process Document**

<b>7.</b>	<p><b>Company Credentials</b> <i>(especially related to</i></p> <ol style="list-style-type: none"> <li>1. <i>Turnaround/power sector/operations to establish the case for qualification)</i></li> <li>2. <i>Technical collaborations with Power sector experts</i></li> </ol> <p><i>(include other, if from related industry)</i></p>	
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Further, following details/documents shall be incorporated for respective bidder/consortium members where ever applicable -

- 1) If the interested party is a foreign company/ OCB, specify list of statutory approvals from Government of India/ Reserve Bank of India 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 3 (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 which, if materialized, have or would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities, prospects and/or condition (financial or otherwise) of the company, or other similar business combination or sale.

Yours faithfully,

Authorized 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: Non-Disclosure Agreement

CONFIDENTIALITY AND NON DISCLOSURE AGREEMENT

This CONFIDENTIALITY AND NON DISCLOSURE AGREEMENT (hereinafter referred as “**Agreement**”) is made on this \_\_\_\_\_ day of \_\_\_\_\_ 2017 (hereinafter referred as “**Effective Date**”) by and between

**SBI Capital Markets Limited**, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 202 Maker Tower ‘E’, Cuffe Parade, Mumbai 400005 and regional office at 6<sup>th</sup> Floor, World Trade Tower, Barakhamba Lane, New Delhi 110001 (hereinafter referred to as the “**SBICAPS**” which expression shall, unless repugnant to or inconsistent with the context or meaning thereof and mean include its successors and permitted assigns) of the **FIRST PART**;

AND

**Prayagraj Power Generation Company Limited**, a company incorporated under the Companies Act, 1956 and having its registered office at Sector-128, Noida, Uttar Pradesh, India (hereinafter referred to as the “**Company**” or “**PPGCL**”, which expression shall, unless repugnant to or inconsistent with the context or meaning thereof mean and include its successors and permitted assigns), of the **SECOND PART**;

AND

\_\_\_\_\_, a company incorporated under the Companies Act, [●] and having its registered office at \_\_\_\_\_ (hereinafter referred to as the “**Receiving Party**”, which expression shall, unless repugnant to or inconsistent with the context or meaning thereof mean and include its successors and permitted assigns), of the **THIRD PART**.

PPGCL and SBICAPS shall be collectively referred to as the “**Disclosing Parties**” and individually as a “**Disclosing Party**” as the context may require.

The Disclosing Party and the Receiving Party are hereinafter collectively referred to as “**Parties**” and individually as “**Party**”.

**WHEREAS:**

- A. SBICAPS is engaged in the business of, inter alia, investment banking, project advisory and financial services.
- B. PPGCL is engaged in the business of, *inter alia*, operation of 1980 MW (3x660 MW) thermal power project (TPP) in the State of Uttar Pradesh, India.
- C. The Receiving Party is engaged in the business of \_\_\_\_\_.
- D. The security trustee to the lenders of PPGCL holds 89.47% of shares (including preference shares of 8.36%) on behalf of the lenders of PPGCL. The lenders of PPGCL now propose to sell majority shareholding in PPGCL (“**Transaction**”).

- E. SBICAPS has been mandated by the State Bank of India (“**Lead Bank**”), acting on behalf of the lenders of PPGCL, to assist in identifying prospective buyer with respect to the majority shareholding in PPGCL. The Receiving Party has accordingly been identified as a prospective buyer with respect to effecting the Transaction. SBICAPS is assigned the mandate to carry the necessary activities required for the purpose of the sale of the shareholding.
- F. In respect of exploring and evaluating the Transaction, Disclosing Parties shall disclose certain confidential information (hereinafter defined) to the Receiving Party in respect of the Transaction.

**NOW, THEREFORE**, in consideration for the mutual promises and covenants hereunder SBICAPS and PPGCL and the Receiving Party agree as follows:

## **1. DEFINITIONS**

- 1.1 "**Affiliate**" means, with respect to a person, any of that person's holding companies, subsidiaries, or entities under common control as that person, or entities managed or advised by that person, that person's holding company or subsidiaries or any of their financing providers.
- 1.2 "**Confidential Information**" means the information of the Disclosing Party or any of its Client's, disclosed or submitted to the Receiving Party by the Disclosing Party in written, representational, electronic, verbal or other form and includes all data, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, human resource information and any other information disclosed or submitted about the Transaction prior to the Effective Date of this Agreement or thereafter including without limitation information on the contents and existence of this Agreement and analyses, compilations, studies and other documents prepared by either Party or its Representative or which contain or otherwise reflect or are generated from any Confidential Information and conspicuously designated as "**Confidential**" or "**Proprietary**" at the time of written disclosure by the Disclosing Party.
- 1.3 "**Disclosing Party**" shall mean a Party disclosing Confidential Information to the Receiving Party or any person acting on behalf of the Receiving Party.
- 1.4 "**Receiving Party**" shall mean a Party receiving confidential information from the Disclosing Party or from any person acting on behalf of the Disclosing Party.
- 1.5 "**Representative**" of the any Party means its Affiliate, or the Party's or its Affiliates' any officer, employee, director, advisor, affiliate, investor, potential financing source, or any other person concerned or other person acting on its behalf.
- 1.6 "**Transaction**" shall have such meaning as ascribed to it in Recital D.

## **2. NON DISCLOSURE**

- 2.1 Confidential Information divulged by the Disclosing Party to the Receiving Party will be received and treated by the Receiving Party as strictly confidential and the Receiving Party shall not, without the prior written consent of the Disclosing Party or as expressly permitted herein, disclose or make available to any other person, or use or allow others to disclose or

use, the Confidential Information in any manner whatsoever other than for the sole purpose as described in clause 2.2 below.

- 2.2 Notwithstanding the provisions of Clause 2.1 above, the Receiving Party may disclose the Confidential Information disclosed under this Agreement to its Representatives on a "need to know" basis, for the sole purpose of enabling assessment and evaluate the Transaction subject to such Representative being bound the confidentiality obligation hereunder.
- 2.3 The Receiving Party and its Representatives shall exercise no lesser security or degree of care than it applies to its own Confidential Information of an equivalent nature, but in any event not less than the degree of care which a reasonable person with knowledge of the confidential nature of the information would exercise.
- 2.4 The Confidentiality Information shall not be copied or reproduced by the Receiving Party or its Representatives at any time except on a "need basis" for the purpose of evaluation of the Transaction.
- 2.5 The Disclosing Party will direct its Personnel not to disclose or announce to any person (a) that the Confidential information has been made available to the Receiving Party or its Personnel, (b) that discussions or negotiations are taking place concerning a possible Transaction between the Receiving Party and the Disclosing Party or (c) any terms, conditions or other facts with respect to any such possible Transaction, including the status thereof.

### **3. EXCEPTIONS**

The Receiving Party's obligations hereunder, shall not apply to Confidential Information if the same:

- 3.1 at the time of its disclosure, is in public domain or which after disclosure becomes part of public domain through no fault of the Receiving Party or its Representatives; or
- 3.2 prior to its disclosure to the Receiving Party in connection with the Transaction was lawfully in the possession of the Receiving Party or thereafter becomes known to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party
- 3.3 is or has been developed independently by the Receiving Party without reference to or reliance on the Disclosing Party's Confidential Information;
- 3.4 is approved for disclosure in writing by an authorized representative of the Disclosing Party

### **4. NON DISCLOSURE OF TRANSACTION**

- 4.1 Unless disclosure is required under applicable laws, court orders or any order from a regulatory or governmental authority or as permitted under Clause 2.2 above, it is agreed that without the prior written consent of the Disclosing Party, the Receiving Party shall not disclose or direct its Representatives to disclose to any person or entity (a) that the Confidential Information has been made available to the Receiving Party or its Representatives, (b) that discussions or negotiations are taking place concerning a possible Transaction between PPGCL and the Receiving Party or (c) any terms, conditions or other facts with respect to any such possible Transaction, including the status thereof.

- 4.2 The Parties understand and acknowledge that the Confidential Information is being provided by the Disclosing Party without any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information.
- 4.3 The Disclosing Party represents and agrees to the Receiving Party that the Confidential Information is in its lawful possession and it has the right and authority to disclose the Confidential Information and is not in breach of any agreement or obligation with respect to the confidentiality of third parties' confidential or proprietary information.
- 4.4 The Parties agree that unless and until a definitive agreement regarding a Transaction between PPGCL and the Receiving Party has been executed, neither Party will be under any legal obligation of any kind whatsoever with respect to a Transaction by virtue of this Agreement except for the matters specifically agreed to herein. The Parties further acknowledge and agree that each Party reserves the right, in its sole discretion, to reject any and all proposals made by the other Party/(ies) or any of its Representatives with regard to a Transaction and to terminate discussions and negotiations at any time.

**5. COMPELLED DISCLOSURE**

The Receiving Party may disclose Confidential Information to the extent necessary pursuant to applicable laws, regulation, court order, or other legal process, or is required by rules of any stock exchange on which shares or other securities of the Receiving Party are listed, provided the Receiving Party notifies the Disclosing Party of the existence, terms and circumstances surrounding such requirement of disclosure so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement.

**6. PROPERTY OF CONFIDENTIAL INFORMATION**

All Confidential Information disclosed or made available shall be and shall remain the property of the Disclosing Party.

**7. RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION**

Within 15 (fifteen) days of being so requested in writing by the Disclosing Party, the Receiving Party shall return or destroy the Confidential Information and all copies thereof, save for such copies as may be required to be retained by law or for compliance with corporate governance requirements and internal policies and copies of electronically exchanged Confidential Information made as a matter of routine information technology backup. The Receiving Party shall be obligated to inform the Disclosing Parties in writing, the information detained by in this regard. Any Confidential Information that is not returned or destroyed shall remain subject to the confidentiality obligations set forth in this Agreement.

**8. INJUNCTIVE RELIEF**

Without prejudice to any other rights or remedies that the Disclosing Parties may have, the Parties agree and acknowledge that in the event of a breach or threatened breach by the Receiving Party of the provisions of this Agreement, money or damages may not be an adequate remedy for a breach of any of the provisions of this Agreement and it is reasonable that the Disclosing Party(ies) shall be entitled to the injunctive relief, specific performance and other equitable relief for any threatened or actual breach of the provisions of this Agreement.

9. **NO LICENSES**

Nothing contained herein shall be construed as granting or conferring any rights by license or otherwise in any Confidential Information. It is understood and agreed that neither Party solicits any change in the organization, business practice, service or products of the other Party, and that the disclosure of Confidential Information shall not be construed as evidencing any intent by a Party to purchase any products or services of the other Party nor as an encouragement to expend funds in development or research efforts. Confidential Information may pertain to prospective business(s) of PPGCL. Receiving Party agrees not to use any Confidential Information as a basis for carrying out same or similar business competing with PPGCL.

10. **TERM**

This Agreement shall remain valid and binding on the Parties until one (1) year from the Effective Date of this Agreement or signing of definitive agreement in relation to the Transaction, whichever is earlier. Either party may terminate this agreement earlier by providing 30 (thirty) days advance written termination notice to other party. Notwithstanding the term of this Agreement, the obligation of confidentiality agreed to between the Parties in terms of this Agreement in relation to the Confidential Information shall survive for two (2) years, from the date of expiry/termination of this Agreement.

11. **GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of India and the courts in New Delhi shall have exclusive jurisdiction.

12. **MISCELLANEOUS**

- 12.1 This Agreement constitutes the entire agreement amongst the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, and understandings, whether written or oral, except obligations imposed by law which shall be deemed a part of this Agreement. This Agreement may not be amended except in writing signed by all the Parties hereto. No failure or delay by any Party in exercising any right hereunder or any partial exercise thereof shall operate as a waiver thereof or preclude any other or further exercise of any right hereunder. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. Nothing in this Agreement shall be implied, except as required under statute.
- 12.2 The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. The obligations under this Agreement shall not be assigned or otherwise transferred in whole or in part by either Party without the prior written consent of the other Parties.
- 12.3 Any breach of any provision of this Agreement by a Disclosing Party hereto shall not affect the Receiving Party's non-disclosure and non-use obligations under this Agreement.



***Process Document***

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of SBICAPS, PPGCL and Receiving Party.

**By: Prayagraj Power Generation  
Company Ltd.**

**Name:**

**Designation:**

**By: SBI Capital Markets Ltd.**

**Name: Mukesh Agarwal**

**Designation: Vice President**

**By:**

**Name:**

**Designation:**

**Annexure 7: Advertisement**