

PROCESS DOCUMENT

for

SALE OF ONE OF THE PLANTS OF ANG INDUSTRIES

Transaction Advisor



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Chapter 1 -Proposed Transaction

- 1) The broad terms of Transaction are as detailed below:
 - Sale of one of the plants of ANG industries (“the Company”) situated at the address 19-A, Udyog Vihar, Greater Noida, Uttar Pradesh (“Asset”). Details of the asset are given in the Annexure
 - The sale of the plant is proposed to be done through a slump sale (“Transaction”). The transaction is subject to the NOC of the lenders.
 - There is already a binding bid (Rs 17.50 Crore) received from one of the Parties (“First Bidder”) by the Lead Bank for the Asset and Lenders are desirous of running a Swiss Challenge process to explore the possibility of getting a better price for the Asset.
- 2) State Bank of India (“Lead Bank”) on behalf of lenders having a charge on the Asset of the Company has engaged SBI Capital Markets Limited (“SBICAPS” or “Advisor”) as a financial advisor to the above Transaction.
- 3) The Steps to be adopted for the proposed sale of the Asset are mentioned below:-

1.	Appointment of Valuers empanelled with the Lead Bank to know the Reserve price for the Asset
2.	Lenders’ meeting to discuss the process to be adopted and go ahead to lead bank to start the process
3.	Submission of Valuation report by the Valuers to ascertain the Reserve price
4.	Invitation of Expression of Interest (EoI) through advertisement (website and newspapers etc.)
5.	EoIs evaluation and shortlisting of interested bidders (IB) based on criteria decided by Lenders
6.	Preparation of information dockets for IBs - <i>due diligence of the Asset, Site Visit, Query resolution</i>
7.	Submission of Final Proposal/ bid
8.	Evaluation with prospective investor vis-à-vis First Bidder and communication to First Bidder
9.	Final Decision in Lenders’ meeting

Chapter 2 -Expression of Interest

2.1 Process for submission of Expression of Interest

- 1) Through this Process Document (PD), the Transaction Advisor is providing the Investor(s) or Interested Bidder(s) (IBs) with instructions for submitting their Expression of Interest (EoI) to the Advisor, in order to proceed with the proposed Transaction.
- 2) This PD contains the following:
 - a. Instructions for Submission of EoI
 - b. Indicative Conditions which may lead to Disqualifications of IBs
 - c. Format for Expression of Interest (EOI)
 - d. Format for Statement of Legal Capacity
 - e. Form A
- 3) This PD will be uploaded on the website of the Transaction Advisor and Lenders. 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 to carry out detailed due diligence. EOI will be open for 15 days' time.
- 4) EoIs are liable to be rejected by Lenders if IBs fails to meet the criteria or for any other reason deemed fit, or even without assigning any reason whatsoever.
- 5) 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.
- 6) The shortlisted IBs would be given access to the data to review the documents pertaining to the Companies to enable them to conduct a due diligence on the Companies.
- 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 Asset. The modalities related to the visit and due diligence will be communicated to the shortlisted IBs in due course.

- 8) The shortlisted IBs may carry out their own due diligence and will be provided a period of three week (21 days) to conduct the due diligence exercise.
- 9) The shortlisted IBs would be required to give their binding Financial Bid on or before a pre-determined Bid Date. The Lead Bank 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 the other lenders to evaluate the Final Bid and address any specific complexity in the Transaction.

10) Swiss Challenge

In case there is an offer, First Bidder will be given a chance to match or better the Offer of the highest bidder in 7 days' time. The First Bidder will be awarded the Asset if it is able to match or better the bid of the highest bidder otherwise the highest bidder is awarded the Asset.

11) No EOI

In case there is no EoI received till the deadline, Lead Bank in discussion with other lenders may award the Asset to the First Bidder, in case the offer of the First bidder is higher than the Reserve price as per the two empanelled Valuers.

Other conditions

1. Lead Bank/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 Lead Bank/Advisor.
2. The Lead Bank /Advisor reserves the right not to respond to questions raised or provide clarifications sought, in their sole discretion. Nothing in this document shall be taken or read as compelling or requiring the Lead Bank/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 Lead Bank/ Advisor has not responded to any question/ provided any clarification.

3. In case of any dispute between the parties in respect of interpretation of the terms of the Teaser inviting EoIs, this Process Document or anything arising there from, such dispute or difference shall be referred to the Lead Bank shall adjudicate and decide the disputes, if any, between the parties and his decision shall be final, conclusive and binding on both the parties. The laws of Union 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).

2.2 Instructions for submission of Expression of Interest

The EoI, conforming to the conditions of this PD shall be submitted latest by 5.00 PM on January 5th 2017 at the office of SBI Capital Markets Ltd., 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 Sale of Asset of ANG Industries” [name, registered address of IB]

Designated Official:

Mr. Amit Dhamija
SBI Capital Markets Ltd
World Trade Tower, 5th Floor
Barakhamba Lane, 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.
- 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 your business operations and strategic objectives for pursuing this transaction. Past experience in investing in and/or operating steel assets.
 - 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 should be provided.
- 4) Shortlisted IBs will be asked to sign the Confidentiality Undertaking before the access to data room/any document for carrying out due diligence.
- 5) **Enquiry:** Advisor/Lead Bank 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/Lead Bank 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/Lead Bank 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
Start Date (Publication of Advertisement)	21 st December 2016
Last date & time for Submission of EoIs	5 th January 2017/ 5:00 pm
Declaration of Shortlisted IBs	12 th January 2017

Chapter 3 -Disqualifications

- 1) The Advisor/Lead Bank 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/ Consortium, a member of Consortium (any Consortium member) in the EoI.
 - b. Failure by IB/ Consortium/ any consortium member to provide the information required to be provided in the EoI.
 - c. Submission of EoI in respect of any IB/ Consortium, where such IB or member had already submitted an EoI or is a member of another Consortium, which has already submitted an EoI.
 - d. Lenders decide that the IB/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 Lead Bank /Advisor which is detrimental to the Transaction and/or the interests of the Lead Bank.
 - h. Initiation or existence of any legal proceedings, by or against the IB in respect of the Companies, 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/Lead Bank to reject the EoI of relevant IB/Consortium, Lead Bank reserves the right to reject the IB/Consortium at the time such information becomes known to the Advisor/Lead Bank.. Where such party is a consortium, Lead Bank, may disqualify the entire Consortium, even if it applied to only one member of the Consortium.

- 4) Lead Bank , 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

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

Reference No. _____ Date _____

To,

Sub: INVITATION OF EXPRESSION OF INTEREST

Sir,

This is with reference to the Advertisement dated _____ inviting Expression of Interest for sale of a plant of ANG Industries on a slump sale basis.

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 mentioned 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 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 Companies when it is sold 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 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 that Lenders 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 party

Enclosure:

1. Statement of Legal Capacity

Annexure 2 : Statement of Legal Capacity for sole Interested Bidder

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

Reference No. _____ Date _____

To

Sub: INVITATION OF EXPRESSION OF INTEREST FOR SALE OF PLANT OF ANG INDUSTRIES

Sir,

This is with reference to the Advertisement dated _____ inviting Expression of Interest for sale of a plant of ANG Industries on a slump sale basis.

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 have agreed 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 authenticate the same.

Yours faithfully

Authorised Signatory
For and on behalf of the interested party

Annexure 3 : 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)</i>	FY	Unit	2014	2015	2016
		Operational				
		Capacity				
		Utilization	%			
		Financial				
		Sales	Rs			
		EBITDA	Cr			
		PAT				
		Net Worth				
		TOL/TNW				
		* Relevant parameters may be included in case bidder is from other industry				
6	Company Credentials <i>(especially related to the Automotive components to establish the case for qualification):</i>					

• In case of Consortium of Bidders - Provide details of all members		

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

Yours faithfully,

Authorised Signatory
For and on behalf of the

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 4 : Details of the Asset

Land and Building:

Plot No. 19 A, Udyog Vihar Extension, Sector – Ecotech II, Greater Noida, Gautam Budh Nagar, U.P.

Total area = 4895 sq. mtrs.

Building: Pre Engineered Steel Building constructed in 2002. Area-1985 sq feet.

Plant and Equipment:

The plant is a machine shop equipped with CNC turning, VMC Machines, CNC Grinding, Gear Hobbing Machines, Broaching Machines, Spline Rolling Machines, Heat Treatment Including Case Carburising, Quench and Temper and Austempering. Most of the Equipment has been installed since 1999 to 2003 and added periodically over the last 13 years.

Stock Details:

Consists primarily of raw material in usable condition including iron bars & metal sheets; Other key stock includes Dies & Finished goods like Spiders, Gears, tanks etc.

Product Profile

- **Differential Spiders:** These are forged and machined part for usage in The Differential has capacity to Machine 50,000 Spiders a month including Inter axle Diff Spiders.
- **Worm and Gears:** This is a component used in the Automatic Slack Adjuster which is part of the Air Brake. These parts are critical in Nature and are very High Precision Parts Capacity for these parts is 75000 sets per month.
- **King Pins/King Pin kits:** These are machined components from Bar Stock and are used in various front axle applications.

All the products are produced in House including Heat Treatment capability. Detailed information of any of the above asset class can be provided on request.