

## QUALIFICATION CRITERIA DOCUMENT

**Issued by:**

### **Lead Bank**



**IDBI Bank Limited**  
IDBI Tower, WTC Complex,  
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Mumbai – 400 005  
Website: [www.idbi.com](http://www.idbi.com)

### **Advisor to the Lenders**



**SBI Capital Markets Limited**  
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## **1. INSTRUCTIONS TO THE INTERESTED PARTIES**

- 1.1** The interested parties are requested to kindly take note of the qualification criteria set out below, who shall self-ascertain their eligibility in relation to the participation in the bidding process, at the time of procurement of the bid document.
- 1.2** It is hereby clarified that the access to the virtual data room shall be provided to the interested parties only after submission of the stamped and executed non-disclosure agreement and payment of the Bid Access Fees.
- 1.3** In the event, the interested party has submitted the Bid Access Fees by way of real time gross settlement (RTGS) in favour of IDBI Bank Limited in the account, as specified in the advertisement, such interested party shall be required to provide evidence of such payment including the unique transaction reference number for the purpose of procurement of the bid document. In this regard, the Lenders and/or SBICAP may, at their sole discretion, seek further information from such interested party.

## **2. QUALIFICATION CRITERIA**

- 2.1** The qualification criteria in relation to the eligibility of an interested party for submission of a bid proposal with respect to the present transaction involving the change in ownership and management control of the Company is as under:
  - (a) An interested party 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 thereto), 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 statutory approvals by themselves from Government of India/ Reserve Bank of India etc.).
  - (b) An interested party can be a strategic investor (“SI”) and/ or a financial investor (“FI”). Eligibility criteria for both SI and FI have been detailed below. An SI may include corporates having experience in similar sectors with domestic or global experience or both. An FI may include private equity funds, investment funds etc. Please note that this is an indicative list and is not exhaustive and has been prepared for illustration purposes only.
- 2.2** An interested party should demonstrate the following technical and financial capacities, to the satisfaction of the Lenders:
  - (a) *Technical Capacity*
    - (i) An interested party, directly or through an affiliate/group company, should either have developed and/or is currently operating a coal based thermal power plant having a capacity of at least 100 MW, as on the date of procurement of the bid document; or
    - (ii) In case where the interested party does not have experience in developing or operating a coal based thermal power plant, such an

interested party shall be required to either (A) enter into a tie-up (joint venture/consortium) with a technical partner who meets the above mentioned technical criteria (having a minimum equity shareholding of 20% in such joint venture/consortium) or (B) engage an operations and management (O&M) contractor who meets the technical criteria as specified in (i) above, for a period of at least five (5) years.

(b) *Financial Capacity*

(i) *Financial Capacity of a SI*

Consolidated Tangible Net worth of INR 250 Crores or more, as of March 31, 2017 or later, where

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

(ii) *Financial Capacity of a FI*

(A) Minimum Asset Under Management (AUM) of INR 1000 Crores as of March 31, 2017 or later; or

(B) Committed funds available for investment/deployment in Indian companies or Indian assets of INR 500 Crores or more as of March 31, 2017 or later;

(C) In case the FI is a bank/non-banking financial company or an asset reconstruction company, the investor should have consolidated tangible net worth of INR 250 Crores or more as of March 31, 2017 or later.

**2.3** In the event the interested party forms a consortium/joint venture for the purposes of the present transaction, it shall fulfil the following requirements:

(a) The consortium shall consist of not more than 3 (three) members with shareholding of an individual member not being less than 10% (ten percent). Members having participation interest of at least 20% (twenty percent) in the consortium shall only be considered for evaluation and such members shall further commit that the combined participation interest of all the members whose experience have been evaluated for the purpose of submission of the bid proposal shall be at least 51% (fifty one percent) and further, shall have a lock-in period of 5 (five) years from the date of transfer of shares of the Company to the consortium. The lock-in shall not be applicable in OTS proposals. The consortium would be required to have a lead consortium member.

(b) In the event the consortium is made up of body corporates, the net worth of the consortium shall be calculated as the weighted average of the consolidated net worth of the individual member (value of any negative parameter shall be considered as nil). Provided that only such portion of their net worth as is

proportionate to their shareholding in the consortium will be considered towards this qualification criteria.

- (c) In the event the Consortium is made up of FI/funds/private equity investors/nonbanking financial companies/any other such applicants, the minimum AUM of the consortium shall be calculated as weighted average of individual member's AUM or committed funds available for 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 this qualification criteria.
- (d) In the event the consortium is made up of a mix of SIs and FIs viz. comprising body corporates, FIs/funds/private equity investors/non-banking financial institutions/any other applicants, the qualifying criteria applicable to the lead member shall be considered.
- (e) No change in the members of the consortium will be allowed after the submission of the proposal by the consortium.
- (f) Any fund/corporate entity can participate in only 1 (one) Consortium or can submit only 1 (one) bid proposal.

**2.4** Any state entity/public sector undertaking having a minimum operational power plant capacity of 100 MW or consolidated Tangible Net worth of least INR 250 Crores as on March 31, 2017, shall be eligible to directly procure the bid document. Further, such an entity will not be required to pay the bid access fees.

**2.5** Government promoted funds / Quasi sovereign wealth funds promoted by Government of India / State Governments in India having an AUM of at least INR 1000 Crores or committed funds available for investment/deployment in Indian companies of at least INR 500 Crores as on March 31, 2017 or later, shall be eligible to directly procure the bid document. Further, such an entity will not be required to pay the bid access fees.

**2.6** The interested party including any member of a consortium/joint venture or a fund or a financial institution or a private equity investor or group company or affiliate or a chief executive officer or any of the directors/ manager/ key managerial personnel of the interested party or their affiliate should not have been charge-sheeted by any agency of the government or convicted by a court of law with regard to matters relating to security and integrity of the country.

**2.7** Neither the interested party including any consortium member, group company, affiliate, chief executive officer, any of the directors/ manager/key managerial personnel of the interested party or their affiliate should have been convicted by a court of law or indicted nor any adverse orders should have been passed by a regulatory authority which could cast a doubt on the ability of the interested party to undertake the transaction or which relates to a grave offence that outrages the moral sense of the community in regard to matters, as may be determined in accordance with applicable law.

### **3. DISQUALIFICATION CRITERIA**

**3.1** Without prejudice, an interested party may be disqualified and its bid proposal excluded from further consideration for non-compliance with the terms hereof or for any of the reasons (including without limitation) listed below. Where an interested party is a consortium, none of the members should be subject to disqualification under the terms of this document. The disqualification criteria shall include:

- (a) Material misrepresentation by an interested party in the bid document.
- (b) The interested party is disqualified in terms of Section 29A of the Insolvency and Bankruptcy Code, 2016.
- (c) Failure by the interested party to provide the information required to be provided in the bid proposal, in accordance with the terms of the bid document.
- (d) Submission of the bid proposal in respect of any interested party/consortium, where such interested party or member of a consortium had already submitted a bid proposal either independently or is a member of another consortium which has already submitted a bid proposal.
- (e) The Lenders decide that the interested party has not satisfied the qualification criteria and hence not 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 interested party, its financial strength, etc.
- (f) Failure to comply with any request of the Lenders in relation to the proposed transaction including further documents, details or information in relation to the bid proposal or documents submitted in relation to the bid proposal.
- (g) If it is discovered at any time that an interested party is subject matter of winding up/insolvency proceedings or has taken any step to apply for it or any analogous proceedings.
- (h) The interested party 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.
- (i) If execution or distress is levied on or any receiver is appointed in respect of any material assets of the interested party.
- (j) Any information regarding the interested party which becomes known to Lenders which is detrimental to the proposed transaction and/or the interests of the Lenders.
- (k) Initiation or existence of any legal proceedings, by or against the interested party and/or in respect of its affiliates or group, which proceeding may be prejudiced by the participation of the interested party in the selection process or the proposed transaction by the Lenders.
- (l) Non fulfilment of any other condition as may be listed in the bid document.

- 3.2 If any information becomes known after the interested party has submitted its bid proposal, which information would have entitled Lenders to reject the bid proposal of the relevant interested party, the Lenders reserve the right to reject the interested party at the time such information becomes known to the Lenders. Where such party is a consortium, the Lenders would disqualify the entire consortium, even if it is applicable to only one member of such consortium.
- 3.3 The Lenders' determination that 1 (one) or more of the events specified herein above has occurred, shall be final and conclusive.

#### **4. DISCLAIMERS**

- 4.1 The Lenders or SBICAP shall not be responsible for non-receipt of the Bid Access Fees or any correspondence sent by any interested party including receipt of any correspondence in relation to the payment of the Bid Access Fee, through any mode.
- 4.2 The Lenders or SBICAP shall in no circumstances, be responsible to bear or reimburse any expenditure or costs incurred by any interested party in respect of the procurement of the bid document.
- 4.3 The advertisement, this qualification criteria document and information contained herein or any part of them does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from Lenders and/or SBICAP.
- 4.4 The Lenders or SBICAP shall in no event be responsible towards refund of the Bid Access Fees, including in events where the bid/proposal submitted by the interested party is found to be non-responsive or is disqualified for any reason whatsoever.