

**DETAILED INVITATION FOR EXPRESSION OF INTEREST DATED FEBRUARY 02, 2022 FOR LANCO
KONDAPALLI POWER LIMITED (UNDERGOING LIQUIDATION PROCESS UNDER INSOLVENCY AND
BANKRUPTCY CODE, 2016)**

I. INTRODUCTION

Lanco Kondapalli Power Limited (“**Corporate Debtor**”/ “**Company**”) having CIN U40101TG1995PLC021459 is an independent power project located at Kondapalli Industrial Development Area near Vijayawada in Andhra Pradesh, India. This combined cycle gas-based power project is being developed in three phases with total capacity of 1470 MW, however the plant is currently non-operational.

The Corporate Debtor was incorporated on August 21, 1995. It has its registered office at Plot #4, Software Units Layout, HITEC City, Madhapur, Hyderabad, Telangana 500081.

The Liquidation process (“**Liquidation**”) in respect of the Corporate Debtor was commenced under the provisions of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”) by order of the Hon'ble National Company Law Tribunal, Hyderabad Bench (“**NCLT**”) dated April 16, 2021 (“**Order**”) and the same was made available to Liquidator on April 23, 2021 (“**Liquidation Commencement Date**”). Pursuant to the Order, Mr. Pankaj Dhanuka has been appointed as the Liquidator of the Corporate Debtor.

Pursuant to the provisions of Regulation 32 and Regulation 33 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (“**Liquidation Regulations**”), the Liquidator had issued public announcement dated February 02, 2022, (“**Public Announcement**”) which has been published in Financial Express (All India Edition) and Andhra Prabha (All Andhra Pradesh and Telangana) and uploaded on the website accessible at www.lancogroup.com inviting expressions of interest from prospective bidders to participate in the electronic auction sale process as described herein.

The Liquidator hereby invites Expressions of Interest (“**EOI**”) from prospective bidders (“**Prospective Bidders**”), who satisfy the eligibility criteria set out herein, for the purchase of the Company as a going concern, or Phase I as a going concern, and/or assets of Phase I in parcel and/or Phase II assets in parcel and/or assets of Phase III in parcel under the provisions of Chapter III of the Insolvency and Bankruptcy Code, 2016. The various assets included or excluded in the various parcels which would be subject to the auction in terms of the Public Announcement would be provided in detail in the updated process document provided by the Liquidator, as amended from time to time (“**Updated Process Document**”).

II. ELIGIBILITY CRITERIA FOR PROSPECTIVE BIDDERS:

A. Financial Strength

For Body Corporates/ Partnership/ Individuals:-

1. Minimum Net Worth as mentioned in table below:-

Particulars	Sale Process Approach	Net worth
Category A	Parcel 1- Company as a Going Concern	INR 50 Crores
Category B	Parcel 2- Phase I as a Going Concern	INR 25 Crores
	Parcel 3- Phase I Assets in Parcel	INR 25 Crores
	Parcel 4- Phase II Assets in Parcel	INR 25 Crores
	Parcel 5- Phase III Assets in Parcel	INR 50 Crores

For individual level in case of individuals, at the partnership's level in case of a partnership, and at the body corporate's level in case of body corporates, the minimum net worth shall be as per the Audited Financial Statements of immediately preceding financial year i.e., FY 2020-21 and in its absence, the audited financial statements for the financial year FY 2019-20 or the latest available audited financial statement during 12 months preceding date of submission of EOI.

Further, in case the body corporate does not meet the minimum net worth criteria as mentioned above, the body corporate, for the purposes of demonstrating the satisfaction of the Eligibility Criteria, may use financial strength of entities either controlling or controlled by or under common control with the Prospective Bidder. The term "Control" shall have the meaning as ascribed to it under the Companies Act, 2013.

Kindly note, in case the entities either controlling or controlled by or under common control with the Prospective Bidder is a financial Institution/ PE Funds/Asset Reconstruction Companies/NBFCs/Other Financial Investors/AIF, then the net worth for such entity may be taken at the discretion of Prospective Bidder, and the option of choosing eligibility as per the eligibility criteria for Financial Institutions/PE Funds/Asset Reconstruction Companies/NBFCs/Other Financial Investors/AIF may be exercised.

Net Worth shall be computed as aggregate value of paid-up share capital/capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, and does not include capital reserves including reserves created out of revaluation of assets, write back of depreciation and amalgamation.

For Financial Institutions/ PE Funds/ Asset Reconstruction Companies/ NBFCs/ Other Financial Investors/ AIF:

1. Assets Under Management (AUM) as mentioned below and as per the Audited Financial Statements of immediately preceding completed financial year i.e., FY 2020-21 and in its absence, the audited financial statements for the financial year FY 2019-20 or the latest available audited financial statements during 12 months preceding date of the EOI; or
2. Committed funds available for investment/deployment in Indian companies or Indian assets as mentioned below as on March 31, 2021 certified by a Chartered Accountant or an equivalent.

Particulars	Sale Process Approach	Net worth
Category A	Parcel 1- Company as a Going Concern	INR 50 Crores
Category B	Parcel 2- Phase I as a Going Concern	INR 25 Crores
	Parcel 3- Phase I Assets in Parcel	INR 25 Crores
	Parcel 4- Phase II Assets in Parcel	INR 25 Crores
	Parcel 5- Phase III Assets in Parcel	INR 50 Crores

For Consortium Bidders:

1. In case the consortium is of body corporates or partnership or individuals, minimum weighted average net worth as mentioned below at consortium level:

Particulars	Sale Process Approach	Net worth
Category A	Parcel 1-Company as a Going Concern	INR 50 crores
Category B	Parcel 2- Phase I as a Going Concern	INR 25 Crores
	Parcel 3- Phase I Assets in Parcel	INR 25 crores
	Parcel 4- Phase II Assets in Parcel	INR 25 crores
	Parcel 5- Phase III Assets in Parcel	INR 50 Crores

The consortium's minimum weighted average net worth will be calculated for the relevant member's at individual level in case of individuals, at partnership level in case of partnerships and at the body corporate's level in case of body corporates in the immediately preceding completed financial year (as per the Audited Financial Statements of immediately preceding completed financial year i.e. FY 2020-21 and in its absence, the audited financial statements for the financial year FY 2019-20 or the latest available audited financial statement during 12 months preceding date of submission of EOI).

Further, in case the body corporate does not meet the minimum net worth criteria as mentioned above, the body corporate, for the purposes of demonstrating the satisfaction of the Eligibility Criteria, can use financial strength of entities either controlling or controlled by or under common control with the Prospective Bidder. The term "Control" shall have the meaning as ascribed to it under the Companies Act, 2013.

Kindly note, in case the entities either controlling or controlled by or under common control with the Prospective Bidder is a financial Institution/ PE Funds/Asset Reconstruction Companies/NBFCs/Other Financial Investors/AIF, then the net worth for such entity may be taken at the discretion of Prospective Bidder, the option of choosing eligibility as per the eligibility criteria for Financial Institutions/PE Funds/Asset Reconstruction Companies/NBFCs/Other Financial Investors/AIF may be exercised.

Net Worth shall be computed as aggregate value of paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, and does not include capital reserves including reserves created out of revaluation of assets, write back of depreciation and amalgamation.

2. In case the consortium is of FIs/PE/NBFCs/ARC/AIF any other financial investor, the minimum weighted average AUM of at least as per the table mentioned below in the immediately preceding completed financial year; or weighted average committed funds available for investment/deployment in Indian companies or Indian assets of at least as per the table mentioned below as on March 31, 2021 certified by a Chartered Accountant or an equivalent, at the consortium level (The AUM shall be as per the Audited Financial Statements of immediately preceding completed financial year i.e. FY 2020-21 and in its absence, the audited financial statements for the financial year FY 2019-20 or the latest available audited financial statements during 12 months preceding date of the EOI)

Particulars	Sale Process Approach	Net worth
Category A	Parcel 1- Company as a Going Concern	INR 50 crores
Category B	Parcel 2- Phase I as a Going Concern	INR 25 Crores
	Parcel 3- Phase I Assets in Parcel	INR 25 crores
	Parcel 4- Phase II Assets in Parcel	INR 25 crores
	Parcel 5- Phase III Assets in Parcel	INR 50 Crores

3. In case the consortium is a combination of body corporates/partnerships/individuals and FIs/PE/NBFCs, either;

- a) The lead member of the consortium satisfies the eligibility criteria as mentioned above for body corporates/partnerships/individuals or FIs/PE/NBFCs as applicable; or
- b) Each of the individual members satisfies the weighted proportion of the eligibility criteria mentioned for body corporates/partnerships/individuals and FI/PE/NBFCs as applicable.

Weighted Average: [(% holding of member 1 x AUM/Net worth/Committed funds of member 1) + (% holding of member 2 x AUM/Net worth/Committed funds of member 2) + member n]

Weighted Proportion: (% holding of member x Stipulated AUM/ Stipulated Net worth/ Stipulated Committed funds of member)

B. Section 29A

The Prospective Bidder or any person acting jointly or in concert with her/it must not be ineligible under Section 29A of the IBC (as amended from time to time, including extant law/regulations prevailing at the time of evaluation of eligibility criteria or amendments thereafter).

In case of a consortium, each member of the consortium should be eligible under Section 29A of IBC.

III. SUBMISSION OF EOI:

In addition to submission of documents to satisfy the eligibility criteria, including affidavit under S. 29A of the IBC as mentioned above, the EOI shall be submitted by the Prospective Bidder in the format provided in Annexure I along with each of the documents mentioned herein. It would be mandatory for Prospective Bidders to submit the following along with the expression of interest through email at inlancokpl@deloitte.com till such date that may be advertised or at such other later date that may be advertised or intimated on the website accessible at www.lancogroup.com. Please visit the website to keep yourself updated. For any details contact at inlancokpl@deloitte.com.

The EOI should be unconditional and should be submitted along with the following:

1. an undertaking in the format set out as Annexure II, by the Prospective Bidders undertaking the following:
 - (i) it does not suffer from any ineligibility under section 29A of the IBC, to the extent applicable; and
 - (ii) it shall intimate the Liquidator forthwith if it becomes ineligible at any time during the sale process.

2. an undertaking in the format set out as Annexure III by the Prospective Bidders undertaking that it shall maintain confidentiality of all information.
3. A board resolution / power of attorney by the Prospective Bidder in the format set out in Annexure IV / IVA, authorizing the Prospective Bidder/Lead Member (in case of a consortium) to participate in the sale process and submission of bid, submission of expression of interest along with all supporting documents, information, and contact person for all communications.
4. Relevant records in evidence of meeting the eligibility criteria under Part II (Eligibility Criteria for Prospective Bidders).
5. Other evidences to establish the credentials of the Prospective Bidders including but not limited to charter/incorporation documents, financial statements, proof of address, copy of PAN card or equivalent, company profile and details of KMP/Promoters/Board of Directors as specified in Annexure V (Details of the Prospective Bidder);
6. Every Bidder shall on or prior to the last date specified in the Public Announcement dated February 02, 2022, as amended from time to time, submit an Earnest Money Deposit of an amount corresponding to the Category(ies) / Parcel(s) for which the Bidder has submitted an EOI, in the following manner:
 - a. in the form of a bank guarantee as given in Annexure VI ("Earnest Money Deposit"), executed in favour of Lanco Kondapalli Power Limited, issued by any scheduled commercial bank in India, or
 - b. by way of a direct deposit by way of the real time gross settlement ("RTGS") system into a bank account held by the Company, the details of which shall be shared separately with the Bidder(s).
 - c. By way of demand draft in favour of Lanco Kondapalli Power Limited in Liquidation, issued by any scheduled commercial bank in India. In case of demand draft, the Liquidator will encash such submitted demand draft and hold the amounts realized as EMD in cash form.
7. The Bank Guarantee shall be issued and renewed from time to time as may be required by the Liquidator. The Bank Guarantee shall be valid for a period of 6 (six) months along with a claim period of 12 months. In the event of any extensions in the timelines of this Bid Process, the Bank Guarantee shall be extended accordingly.
8. It is hereby clarified that no EOI and EMD shall be accepted by the Liquidator after the last date for submission of EOI and EMD as specified in the Public Announcement dated February 02 2022, as amended from time to time. The Liquidator, however, in his sole discretion, may extend such timelines as he deems fit. It is hereby clarified that non-submission of the Earnest Money Deposit or failure to renew/ extend the same by any Bidder shall lead to ineligibility and disqualification of the Qualified Bidder(s) from this Bid Process including to conduct site visits, due diligence and participation in the E-auction Process.
9. In case of RTGS, the entire EMD amount shall be remitted by the Qualified Bidder(s) from one bank account only which will be owned by the Qualified Bidder(s). The Qualified Bidders shall preserve the remittance challan and shall produce to the Liquidator as and when demanded.
10. The Liquidator shall have the right to invoke the Earnest Money Deposit, by encashing the Bank Guarantee or by appropriating the deposit made by the Qualified Bidder through RTGS/demand draft. The Earnest Money Deposit can be invoked and appropriated at any time at the discretion

of the Liquidator, without making any reference to the relevant Qualified Bidder(s), upon occurrence of any of the events as specified in the Updated Process Document, as amended from time to time.

11. Any additional document/information sought by the Liquidator on its own account or in consultation with the Stakeholder Consultation Committee must be furnished by the Prospective Bidder.

In case of a consortium, the relevant documents will need to be provided by each member of the Consortium.

The eligibility criteria may be amended or changed at any stage at the discretion of Liquidator. The Liquidator reserves the right to cancel or modify the process and/or reject/disqualify any interested party / bid / offer at any stage of the Liquidation Process without assigning any reason and without any liability whatsoever.

Further detailed information about the process, information on virtual data room & Updated Process Document for sale process and site visit, will be provided to the qualified Prospective Bidders who are determined to be eligible as per the aforementioned eligibility criteria, on submission of the documents as required to be submitted with the expression of interest.

The access to data room, Updated Process Document, site visit etc. would be provided to Prospective Bidders as and when the Liquidator is satisfied with their EOI including eligibility. A Prospective Bidder submitting a proper EOI and satisfying the eligibility requirements before another Bidder or even before the last date for submission of the EOI may be provided access to the data room, Updated Process Document, site visit, etc. as and when the Liquidator is satisfied by such person's EOI and eligibility requirements. No claim would be entertained in relation to some persons having more time than the others in relation to reviewing the assets and business of the Corporate Debtor and all persons interested to be Prospective Bidders may submit a proper EOI as soon as possible.

In the event a Prospective Bidder wants to bid for more than one category or for more than one option within a category, then the Prospective Bidder shall be required to satisfy the eligibility criteria as per the category / option which requires a higher eligibility criterion to be satisfied.

Note: This is not an offer document. Prospective Bidders should regularly visit website <http://www.lancogroup.com> to keep themselves updated regarding clarifications, amendments or extensions of time, if any.

Sd/-

Mr. Pankaj Dhanuka,

Liquidator of Lanco Kondapalli Power Limited

Insolvency Professional – Regn. No.: IBBI/IPA-001/IP/P-01205/2018-2019/11911

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Date: February 02, 2022

Please email your responses to inlancokpl@deloitte.com