

PROCESS DOCUMENT

**Process Document for Sale of shareholding in United Power
Transmission Limited (“UPTL”)**

**Last Date for submission of Non-binding Term Sheet and other required
documents: 01 May, 2023**

Last Date for Submission of Binding Term Sheet: 31 May, 2023

PART I – INTRODUCTION

1.1. Brief Description of the Company/Sellers

Unitech Power Transmission Limited (“UPTL”)

Unitech Power Transmission Ltd (“UPTL” or “Company”), a mid-size EPC company, incorporated in the year 1995, is a 100% subsidiary of Unitech Ltd (“UL”) having its registered office at 6 Community Centre, Saket, New Delhi – 110017 and Corporate office at Unitech House, 3rd Floor, L Block, South City 1, Sector 41, Gurgaon – 122016, Haryana.

The Hon’ble Supreme Court vide an order dated 23.03.2021 in the case titled ‘Bhupinder Singh v. Unitech Ltd.’, CA No. 10856/2016 has permitted the new management of Unitech Limited to explore potential buyers for the sale of entire shareholding in UPTL.

UPTL is engaged in power transmission line projects up to 800 KV on an EPC basis for various clients such as Power Grid Corporation of India Limited, State Electricity Boards (SEBs) and private organisations such as Adani Group, Sterlite, Renew Power etc across the country. UPTL has successfully executed transmission lines up to 800 KV in various parts of the country including the mountainous regions of J&K and Himachal Pradesh.

The Company has its tower manufacturing plant at Butibori near Nagpur, Maharashtra and has construction divisions with the required equipment and manpower at the Pan India level.

The business of UPTL can be divided in the following segments:

- (i) Manufacturing and supply of towers and accessories
- (ii) Bought out items like Conductors, Hardware, Insulators
- (iii) Civil work – Foundation, Erection and Stringing

1.2. Proposed Transaction

- (i) Unitech Limited is evaluating 100% sale of shares of UPTL by the shareholders to a strategic/ financial investor on an ‘*as is where is*’ basis.

PART II - BID PROCESS

2.1 Process Document

2.1.1 This Process Document is issued in terms of the order dated 23.03.2021 passed by the Hon'ble Supreme Court in Bhupinder Singh v. Unitech Limited bearing CA No. 10856/2016, to invite prospective bidders, for purchase of the 100% shares of the Company ("**Bid**") to submit their bid on an Enterprise Value basis via a non-binding term sheet. Format of the same is annexed – **Annexure II**.

2.1.2 This Process Document is issued upon an express understanding and agreement that the Prospective Bidders shall use it solely for the purpose of preparation and submission of the Bid and for no other purpose whatsoever. Further, the information provided in the Process Document with respect to the Company and the Assets are confidential and shall not be disclosed without the express consent of the Company.

2.2 Eligibility Criteria

2.2.1 The EOIs and non-binding Bids are being invited only from the prospective bidders (including consortium if applicable) who meet the following eligibility criteria:

- (i) The Prospective Bidder shall have a net worth of at least INR 50 Crore as on 31 March 2022 or any latest available subsequent date as certified by a practising Chartered Accountant.
- (ii) The Prospective Bidder shall clearly demonstrate sources of funds through A) Investible surplus or B) Term sheet from a bank or a fund to the extent of 125% of the **Equity Value contained in the Bid**.
- (iii) Are not related to the erstwhile promoters of Unitech Group; In this respect, the prospective bidders are required to give an undertaking along with the non-binding Bids.

2.3 Process of Bid Submission

2.3.1 **Step 1: Submission of Non-Disclosure Agreement ("NDA") and exchange of Company related information as provided by UPTL.**

2.3.1.1 The Prospective Bidder shall submit a Non-Disclosure Agreement ("**NDA**") duly executed by the Prospective Bidder to the below mentioned Email address:

- GK Chaturvedi - gkc@uptl.co.in
- Abhijeet Jaiswal - Abhijeet.Jaiswal@in.ey.com

2.3.1.2 The Company or its process advisors (“Ernst & Young LLP” or “EY” or “Advisors”) will share the first set of information relevant to the transaction capturing the following details basis which the Prospective Bidder shall submit a non-binding bid:

- (a) Information memorandum
- (b) Financial statements of last three years
- (c) Land related documents
- (d) Any other information relevant for submission of non-binding offer as decided by the Company or its Advisor

2.3.2 **Step 2: Submission of Non-binding term sheet**

2.3.2.1 The non-binding term sheet should be submitted on or prior to **May 01, 2023** by **6:00 pm**, or such other later date as may be communicated by the Company and/or its advisor to the Prospective Bidders as being the last date for submission of non-binding bid (referred to as the “**Non-binding Bid Submission Due Date**”) as per the format provided in **Annexure I** in a password protected file.

2.3.2.2 The non-binding term sheet shall be uploaded on the online portal that will be made available on the website of Unitech Limited. The details of the online portal are as follows:

- etenders.unitechgroup.com
- The bidders have to register on the portal with his signing and encryption on DSC before uploading the non-binding term sheet.

2.3.3 **Step 3: Due Diligence and Access to Stage 2 Virtual Data Room**

2.3.3.1 The password protected Non-Binding term sheets received from all the prospective bidders will be opened in the presence of the Chief Executive Officer of the Company within 5 days from the Non-binding Bid Submission Due Date. The prospective bidders will be requested to share the passwords of their respective Non-Binding Term Sheets on the date of the opening of their bids.

2.3.3.2 Subject to the terms of the Process Document and the NDA, Prospective Bidders that are eligible under Clause 2.2 will be identified and allowed access to the Virtual Data Room. In this regard, the decision to accept or otherwise, the non-binding bids will rest solely with the management of Unitech Limited without any recourse to the prospective bidders.

2.3.3.3 The Prospective Bidders shall conduct their own due diligence on the Assets of the Company and may request the Company and/ or its advisors to

arrange for the site visit by their representatives and/ or advisors.

2.3.3.4 The Company shall provide assistance that is necessary and reasonable for the conduct of due diligence of the Assets by Prospective Bidders. The relevant information and documents in respect of the Assets shall be provided by the Company in good faith and subject to confidentiality obligations under the NDA.

2.3.4 **Step 4: Submission of Binding Term Sheet**

2.3.4.1 After successful completion of due diligence, the Prospective Bidders identified above shall submit a binding term sheet offering a value at least equal to the initial non-binding term sheet offer along with a Bank Guarantee (“BG”) of INR 1 Crore on or prior to May 31, 2023 (referred to as the “**Binding Bid Submission Due Date**”) from any scheduled commercial bank in India in favour of the Company in a sealed envelope. The acceptable format of the Bank Guarantees with the details of the bank account of Unitech Limited is provided in **ANNEXURE II**.

2.3.4.2 The Company and/or its advisor shall have the unilateral right (but not the obligation) to summarily reject the bid and/or not open the bid that is submitted without a BG.

2.3.4.3 The BG of the unsuccessful Bidders shall be returned within 15 working days after the declaration of the successful Bidder for the transaction.

2.3.4.4 Once the binding bid placed by any of the Prospective Bidders is selected and thereafter, the Prospective Bidders withdraws the same, the aforementioned Bank Guarantee of INR 1 Crore submitted along with the binding bid shall stand forfeited at the option of Unitech Limited and the bank shall be released and discharged from all liabilities hereunder.

2.3.5 **Step 5: Selection of the Successful Bidder**

2.3.5.1 Upon submission of the binding bids in a password-protected file by the Prospective Bidders, the Company and/ or its advisors will initiate a negotiation process with them for value maximization. The Prospective Bidder who has submitted the highest revised offer subsequent to the negotiation process will be declared as the “**Successful Bidder**”, **provided a background check has been completed on the Successful Bidder to the satisfaction of Unitech Limited.**

2.4 **Step 6: Approval of the Hon’ble Supreme Court after finalisation of the Proposed Transaction.**

2.4.1 **The Hon’ble Supreme Court in Bhupinder Singh v. Unitech Limited**

bearing CA No. 10856/2016, vide order dated 23.03.2021 has directed that the prior permission of the Hon'ble Supreme Court shall be obtained for concluding the proposed transaction in respect of 100% sale of shares of UPTL.

2.4.2 Once the proposed transaction is finalised, an appropriate application will be filed by Unitech Limited along with the details of the bidder, binding term sheets and the draft share-purchase agreement seeking approval of the Hon'ble Supreme Court.

2.5 Indicative Timelines

S.No	Events	Date
1	Submission of Non-Binding Term Sheet	May 01, 2023
2	Opening of Non-Binding Term Sheet	May 02, 2023
3	Completion of due diligence and site visits and last date for submission of Binding Term Sheet	May 31, 2023
4	Application to the Hon'ble Supreme Court (Subject to the approval of the Hon'ble Supreme Court)	
5	Execution of definitive documentation with successful bidder	Within 45 days of approval from the Supreme Court

Note: All timelines set out above are indicative in nature and are subject to change as per discretion of the Company and/or its advisors.

Annexure-I

This term sheet (“**Term Sheet**”) outlines the terms and conditions of a proposed investment by _____ (or funds managed / advised by it through its affiliates) hereinafter referred to as Investor, in the identified project being developed by Unitech Power Transmission Limited (“**UPTL**”). This Term Sheet is an expression of interest only and is not to be construed as an intention to create legal relations or a binding agreement between the Parties (as defined below).

S. No	Subject	Particulars
1.	Promoter	Unitech Power Transmission Ltd, a mid-size EPC company incorporated in the year 1995, is a 100% subsidiary of Unitech Ltd (“ UL ”)
2.	Company / SPV	<p>UPTL is engaged in power transmission line projects up to 800 KV on EPC basis for various clients such Power Grid Corporation of India Limited, State Electricity Boards (SEBs) and private organisations such as Adani, Sterlite, Renew Power, Soft Bank etc across the country. UPTL has successfully executed transmission lines up to 800 kV in various parts of the country including mountainous regions of J&K and Himachal Pradesh.</p> <p>The Company has its tower manufacturing plant at Butibori near Nagpur, Maharashtra and have construction divisions with required equipment and manpower at Pan India level.</p> <p>The business of UPTL can be divided in the following segments:</p> <ul style="list-style-type: none">(a) Manufacturing and supply of towers and accessories(b) Bought out items like Conductors, Hardware, Insulators(c) Civil work – Foundation, Erection and Stringing
3.	Investor [<i>Details to be provided</i>]	<p><i>[Should include ownership/ corporate structure including details of all Directors, KMPs, Shareholders, beneficial owners (upto two levels), owning entities, subsidiaries, associates, key financials to enable UPTL/ its advisors to check the direct / indirect relationship of the investor and UPTL/ UL and all its previous / current shareholders.</i></p> <p><i>The Prospective Investors should also provide a stamped</i></p>

S. No	Subject	Particulars															
		<i>and notarized undertaking highlighting their relationship with the current/ previous shareholders of UPTL/ UL and/ or its Promoters/ Directors/ KMPs to establish their eligibility.]</i>															
4.	Project Background	<p>The company has its own tower manufacturing facility on an industrial plot of 87,600 sq. meter on a 95 years lease from MIDC effective from 1995. The manufacturing plant is located at Butibori Industrial Area, Main Highway – Wardha Road, 20 Km away from Airport and Nagpur City.</p> <p style="text-align: center;">Factory Infrastructure</p> <table border="1" data-bbox="571 797 1394 875"> <tr> <td data-bbox="571 797 651 835">1</td> <td data-bbox="651 797 1118 835">Plot Size</td> <td data-bbox="1118 797 1394 835">87,600 sq. mts</td> </tr> <tr> <td data-bbox="571 835 651 875">2</td> <td data-bbox="651 835 1118 875">Built-up Area</td> <td data-bbox="1118 835 1394 875">19,003 sq. mts</td> </tr> </table> <p style="text-align: center;">Manufacturing Facility</p> <table border="1" data-bbox="571 994 1394 1111"> <thead> <tr> <th data-bbox="571 994 708 1032">S.No</th> <th data-bbox="708 994 1118 1032">Installed Capacity</th> <th data-bbox="1118 994 1394 1032">Units</th> </tr> </thead> <tbody> <tr> <td data-bbox="571 1032 708 1070">1</td> <td data-bbox="708 1032 1118 1070">Fabrication</td> <td data-bbox="1118 1032 1394 1070">36,000 MT</td> </tr> <tr> <td data-bbox="571 1070 708 1111">2</td> <td data-bbox="708 1070 1118 1111">Galvanisation</td> <td data-bbox="1118 1070 1394 1111">24,000 MT</td> </tr> </tbody> </table>	1	Plot Size	87,600 sq. mts	2	Built-up Area	19,003 sq. mts	S.No	Installed Capacity	Units	1	Fabrication	36,000 MT	2	Galvanisation	24,000 MT
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2	Galvanisation	24,000 MT															
5.	Valuation	<p>INR _____ Crores has been assigned to arrive at the Enterprise Value and INR _____ Crores as the Equity Value for the 100% entity sale.</p> <p><i>“Enterprise Value to be defined as the total value provided under the acquisition of 100% shareholding in the Company and shall be deemed to include the value of any deferred consideration, the value of any liability assumed by the acquirer (whether fund based on non-fund based debt or otherwise) and the value of any compensation, consultancy fee, non-compete fee, pre-transaction dividend (or other distribution) or other payment or transfer of value to the acquired company as well as the value of the consideration paid”.</i></p>															
6.	Instrument of Investment	Equity Shares															
7.	Due Diligence	<p>The Investor will undertake to, directly or indirectly, conduct the due diligence on the project assets including its land and/or other assets of UPTL for execution and/or enforcement of Transaction Documents. UPTL Transaction Advisor will provide all requisitioned documents to the Investor to facilitate the completion of</p>															

S. No	Subject	Particulars
		Due Diligence exercise. Further, the Investor shall undertake Technical Due Diligence, Feasibility, and Marketing Study for the project land. All payments for this Technical Due Diligence, Feasibility, and Marketing Study will be made by the Investor.
8.	Dispute Resolution	This Term Sheet shall be subject to Laws of India. All disputes relating to this Head of Terms shall be finally settled in accordance with Arbitration and Conciliation Act, 1996. All arbitration proceedings shall be conducted in English language and the place of arbitration shall be Delhi.

FOR AND ON BEHALF OF

FOR AND ON BEHALF OF

(Authorised Signatory)

(Authorised Signatory)

BANK GUARANTEE

BANK GUARANTEE NO:

DATE: DD.MM.YYYY

To,

Beneficiary:

Unitech Limited

1306-1308, 13th Floor, Tower-B,

Signature Tower, South City - 1,

Gurugram - 122007

We M/s **Prospective Buyer**and having its Registered Office (hereinafter referred to as "Prospective Buyer") has submitted a Binding Term Sheet (hereinafter referred to as "BTS") with M/s Unitech Limited (hereinafter referred to as "Seller") as a probable acquirer of the subsidiary company of the Seller i.e. Unitech Power Transmission Limited (hereinafter being referred to as "UPTL").

2. Furthermore, we are given to understand that per the terms of the acceptance of BTS, the Prospective Buyer shall submit a Bank Guarantee in the sum of Rs. 1,00,00,000/- (Rupees One Crore Only) with **nine months'** validity at the time of submission of BTS by the Prospective Buyer.

3. Banking details of the seller are mentioned below:

Sr. No.	Particulars	Details
1	Name of the Beneficiary	Unitech Limited
2	Beneficiary Bank Account No.	137711100001802
3	Beneficiary Bank Branch IFSC	UBINo813770
4	Beneficiary Bank Name	Union Bank of India
5	Beneficiary Bank Address	South City – I Branch, Gurgaon -122001

4. At the request of the Prospective Buyer, We (**Name of Bank**), a banking company incorporated and registered under Companies Act 1956 and having license to carry on banking business under the Banking Regulation Act, 1949 having its Registered Office at—and its one of the Branch office at (hereinafter being referred to as the "Guarantor Bank") hereby irrevocably undertake to pay you any sum or sums not exceeding in total amount of Rs. 1,00,00,000/- (Rupees One Crore Only) upon receipt by us of your demand in writing accompanied by a written statement stating that the Prospective Buyer is in breach of its obligation under the BTS.

5. This Guarantee shall be valid and binding on the Guarantor Bank up to and including **[last date of validity of BG]** and shall in no event be terminable, for any change in the constitution of the Guarantor Bank and/or the Seller or for any other reasons whatsoever and the liability of the Guarantor Bank hereunder shall not be impaired or discharged by any extension of time or variations or alterations made, given, or agreed with or without the Guarantor Bank's knowledge or consent, by or between **[Prospective Buyer]** and the Seller.

6. This Guarantee shall not be affected in any manner by reason of merger, amalgamation, restructuring, liquidation, winding up, dissolution or any other change in the constitution of the Guarantor Bank.

Notwithstanding anything contained herein;

- (a) Our Liability under this Bank Guarantee shall not exceed Rs. 1,00,00,000/- (Rupees One Crore Only)
- (b) This Bank Guarantee shall be valid up to **[last date of validity of BG]**.....; and
- (c) We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand at **Prospective buyer's Bank**on or before **[last date of validity of BG]** If no written claim or demand is received by us within the aforesaid period, then the Guarantor Bank shall stand discharged from all its liability under this Bank Guarantee thereafter and all your rights under this Bank Guarantee shall stand extinguished.

In witness whereof the Guarantor Bank, through its authorized officer, has set its hand and stamp on this **[Date of execution of this Bank Guarantee]**at **[Place of execution of this Bank Guarantee]**

[Witness 1 of Guarantor Bank]

[Witness 2 of Guarantor Bank]