

Project Teaser

1. Background

- The Company has a 300 MW (2 X 150 MW) Imported Coal based Power Plant located in Tuticorin in Tamil Nadu.
- The power plant is based on the CFBC technology
- It is a fully operational power plant which has a track-record of continuous 2 years of operations
- Power plant is now lying idle since May 2016 due to cancellation of the Short-Term PPAs, Lack of FSA and dependence on Coal from market with volatile pricing
- It is now proposed to divest a 100% stake in the power plant in favour of a new sponsor who can demonstrate the ability to operate the power plant.
- Lenders to the project include 18 Banks and financial institutions with PNB as the Lead having exposure in the project by way of Rupee Term Loan/Working Capital facilities.

2. Principal Debt Outstanding

- Debt Outstanding as on 31st March 2017 is given as under:

(Rs. in Crores)

Particulars	Amount
Senior Debt Principal O/s	679.56
Subordinate Debt Principal O/s	39.05
Working Capital O/s	302.50
Total	1,021.11

3. Fuel Supply Arrangement (FSA) / Power Off-take (PPA)

- The power plant is designed to operate on high GCV imported coal and the new sponsors should have an ability to deploy high quality fuel for superior efficiency and higher output
- Presently the power plant does not have a Long-Term PPA. Hence the new sponsors should have the ability to tie-up the entire saleable power.

4. Other Points

- Transaction is proposed to be completed in not more than 3 months.
- The Reserve Price for the Power Plant is Rs.827.95 Crores (on Present Value basis at 9.50% considering the above time-line for closure of the transaction) for settlement of Lender's liabilities. The amount could be a mix of upfront payment, Term Loan and a structured instrument.
- New Sponsors will have to separately take into consideration infusion of adequate

equity for:

- settlement of the creditors
- the nominal repairs & maintenance for re-commencement of operations at the power plant
- adequate margin for working capital facilities for operations