

Preliminary Information Memorandum
For inviting Expression of Interest
for

strategic disinvestment of

HINDUSTAN PREFAB LIMITED

By

Government of India
through the Ministry of Housing & Urban Affairs

October 2017

Transaction Advisors
YES Bank Limited



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YES Bank Limited (“**YES Bank**”) has been retained as the advisor by the Government of India (“**GoI**”) for advising and managing the proposed strategic disinvestment of Hindustan Prefab Limited (hereinafter referred to as “**HPL**” or “**Company**”), pursuant to an order F.No. 3/23/2016-DIPAM-II-B dated 24th March 2017. This Preliminary Information Memorandum (hereinafter referred to as the ‘**PIM**’) has been prepared by YES Bank for the limited purposes of providing certain information on HPL for enabling the recipients to be appraised of such certain basic details of HPL prior to submission of the Expression of Interest (“**EOI**”) in respect of the Transaction (as defined hereinafter). This PIM is only for the use by entities classified by the GoI as Central Public Sector Enterprises. Unless otherwise specified, the information contained herein is as on 15th July 2017, and may be subject to material updates, revisions or amendment. Neither GoI, the Company nor YES Bank, undertake to update this PIM. YES Bank has not independently verified any of the information and data contained herein. Neither the GoI, the Company nor YES Bank (nor any of their respective affiliates, subsidiaries, advisors and agents), (i) make any representations or warranties, express or implied, as to the accuracy, or completeness of such information and data, (ii) take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy, completeness, authenticity, correctness and fairness of the information or for any of the opinions contained in the PIM or for any errors or omissions or for any loss/damage be it tangible or intangible, howsoever arising, from the use of this PIM and (iii) take any responsibility or accept any liability for any other written or oral communications transmitted to the recipient by or on behalf of Company or YES Bank or GoI or any of their advisors in the course of your evaluation of any transaction involving the Company. Any liability or responsibility of GoI, the Company and YES Bank and their respective advisors is, therefore, expressly disclaimed. You should conduct your own investigation and analysis of the Company in connection with the Transaction.

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Annexure

Glossary

1. Introduction

1.1 Transaction background

- 1.1.1 The President of India holds 99.99% of the paid-up Equity Shares in Hindustan Prefab Limited (“HPL” or the “Company”) through MoHUA. The 99.99% shareholding of GoI is in the form of fully paid-up 1,34,76,682.00 equity shares of HPL having a face value of Rs 100.00/- each (the “Equity Shares”). The remaining 3 Equity Shares are held by HPL’s directors who are appointed by the GoI from time to time and do not hold any beneficial interest in the shares.
- 1.1.2 GoI intends to disinvest the entire equity shareholding held by the President of India through the Ministry of Housing & Urban Affairs and by the directors appointed by GoI from time to time in HPL along with transfer of management control through a competitive bidding process by way of sale of Equity Shares to a similarly placed CPSE (the “**Transaction**”).
- 1.1.3 YES Bank Limited (‘YES Bank’), has been appointed by DIPAM as the strategic and financial advisor (‘Transaction Advisor’) for the Transaction.

1.1.4 Important Dates for EoI process

S.no.	Event	Date
1.	Publication of advertisement and floating of EoI	13 October 2017
2.	First day of taking queries	13 October 2017
3.	Last day of taking query	25 October 2017
4.	Posting replies to queries as FAQ on websites	01 November 2017
5.	Last day of submission of EoI (Due Date)	09 November 2017
6.	EoI opening*	09 November 2017

**EoI opening shall mark the start of the evaluation of EoI from the next business day after Due Date and does not mean the day of shortlisting of EoI.*

- 1.1.6 All communications, inquiries and requests for information should be directed to following:

<p>Abhishek Gupta</p> <p>Executive Vice President YES Bank 48, Nyaya Marg, Chanakyapuri, New Delhi - 110021</p> <p>Email: abhishek.gupta@yesscuritiesltd.in Tel: +91 11 6656 9000</p>	<p>Karandeep Singh</p> <p>Assistant Vice President YES Bank 48, Nyaya Marg, Chanakyapuri, New Delhi - 110021</p> <p>Email: karandeep.singh3@yesbank.in Mobile: +91 99997 82579 Tel: +91 11 6656 9000</p>	<p>Rajat Rustagi</p> <p>Senior Manager YES Bank YES Bank Tower, IFC 1, 6th Floor, Elphinstone (W), Mumbai – 400 013</p> <p>Email: rajat.rustagi@yesscuritiesltd.in Tel: +91 221 7100 9811</p>
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Clarifications: Any queries or request for clarification/additional information concerning this PIM shall be submitted to Mr. Karandeep Singh, Assistant Vice President at YES Bank, 48, Nyaya Marg, Chanakyapuri, New Delhi - 110 021, Email – karandeep.singh3@yesbank.in not later than

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the date mentioned in PIM, 25 October 2017. The communications shall clearly bear the following identification / title: Query: PIM – HPL.

Note: No query to be addressed to MoHUA, HPL and DIPAM

2. Information about HPL

2.1 Background

- *Inception and history*

HPL is one of the oldest Central Public Sector Enterprises (CPSEs) and operates under the administrative control of the Ministry of Housing & Urban Affairs (MoHUA). Established in 1948 as a department of the Ministry, the key objective of HPL was to cater to the housing needs of people migrating to India from Pakistan.

In 1953, the department was incorporated as a company, namely Hindustan Housing Factory Limited which became a CPSE in 1955. In 1978, the name of the Company was changed to Hindustan Prefab Limited which continues to be the current name.

In 2008, HPL's debt, including government loan and interest due aggregating to approximately Rs. 128.00 crores was restructured as equity in a bid to turn around the performance of the Company. The Company has not availed any financial assistance from the government since then.

It has received an ISO 9001:2008 certification for planning, designing & construction of engineering projects, prefab/pre-engineering projects and project management consultancy. The certification shall expire on 4th January 2018. The company primarily operates in Indian markets. In terms of marketing arrangements, the company participates in several seminars and conferences on prefab technology.

- *Objectives*

The company's key objectives include the following:

- ✓ To be a financially sustainable company with a robust order book
- ✓ To play an active role in Central Govt. agenda of "Providing Housing To All by 2022"
- ✓ To propagate prefab technologies
- ✓ To explore the possibility for setting up manufacturing facility of prefab components]

- *MoU with MoHUA*

The key mission of the Company is to act as an execution arm of Government of India through MoHUA for mass housing/development of infrastructure in the country.

The Company enters into an MoU with MoHUA every fiscal year for setting targets and measure the performance of the company's management on the selected criteria.

- *Business Overview*

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The Company has been involved in implementing prefab technology in India and had supplied prefab structures for the housing industry in India and to the Indian Railways. The Company was the first to produce pre-cast pre stressed concrete railway bridges girders for railways bridges and first to use prefab components for building construction in India.

HPL is credited with building large number of residential, industrial, and institutional structures using pre-cast concrete and prefabrication technique including East & West Block in R.K. Puram, Vikas Bhawan in IP Estate and Palam Airport Terminal Building.

The company has suspended production of PRC railway sleepers, electricity poles and other prefab civil engineering components as manufacturing became economically unviable.

The Company now operates as a project management consultant (PMC) and is principally engaged in providing consultancy services to various government bodies. Its areas of expertise includes civil construction projects which includes mass housing projects under various government schemes, educational, hospitals and other institutional buildings of Central & State government and their government bodies using both conventional and prefab technologies. It is also involved in advocacy of prefab technologies.

- Key Differentiators
 - ✓ **Long legacy**
 - One of the oldest pre-fab companies in India
 - Demonstrable experience and undertaken construction of several structures/buildings
 - Vast experience in construction across multiple sectors –infrastructure, hotel, housing, institutions and healthcare
 - ✓ **Limited competition**
 - The contracts are provided through nomination by the state and central governments or their respective bodies or through bidding limited within PSUs
 - ✓ **Lean workforce (as of 15th July 2017)**
 - Only 241 employees on permanent employment including 148 workers and 93 officers
 - Remaining 143 employees on contractual arrangements to adapt to changing market dynamics
 - ✓ **Wide reach**
 - Experience of executing projects in far-off areas such as Ladakh, Itanagar and Mizoram
 - Presence across the country through project offices
 - ✓ **Pre-fab expertise**
 - Implementing Pre-fab technology in India since 1950s
 - Pre-fab technology park in its New Delhi facility

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- Executing various projects with prefab technologies and also involved in advocacy for adoption of prefab technologies

2.2 Offices of HPL

HPL has a head office located in Jangpura, New Delhi and has project offices spread across the country in states of Bihar, Assam, Arunachal Pradesh, Mizoram, Nagaland, Orissa, Andhra Pradesh, Kerala, Goa, Punjab, etc.

The address of registered office and head office is as under:

Hindustan Prefab Limited
Jangpura, Near Rajdoot Hotel
New Delhi – 110014
Phone No. 011-43149800-899
Fax No. 011-43149865

HPL has passed a resolution of Board of Directors dated 17th August 2017 deciding to hive off land & other immovable assets.

The board of directors were informed via board note no. 23/2017-18 dated 16th August 2017 that the registered office of HPL, which is one of the immovable assets located on the hived off land, will continue to operate from its current location till further decision is taken by the competent authorities in consultation with the Land & Development Office.

2.3 Management

The senior management of HPL consists of qualified people with experience in their area of expertise.

Table – Composition of Board of Directors as of 15th July 2017

S.no	Name	Designation	Qualifications	Past Experience
1	Mr. Rajesh Goel	Chairman & Managing Director	B.Tech(Civil) & MBA (Fin.)	Before joining HPL, he was working as Executive Director in HUDCO where he worked for more than 20 years. He has worked at NBCC for 10 years.
2	Mr. S.K.Gupta	Director(Tech.) & Transparency Officer	B.E.(Mech.)	Before joining HPL, he has worked for 29 years at various PSUs such as Air India, HUDCO, IRCON International and Engineering Projects (India) Limited

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3	Ms. Jhanja Tripathy	Part-time (official) Director JS&FA, M/o HUA	IRAS	Prior to her current assignment, Smt. Tripathy was Financial Advisor & Chief Accounts Officer in the Northern Railway, Ministry of Railways, Government of India. She has experience of more than 28 years of holding several key positions in Railways and other Ministries of Central Government.
4	Mr. Rajiv Ranjan Mishra	Part-time(official) Director JS (Housing), M/o HUA	IAS	With 28 years of experience as IAS officer, Mr. Mishra has been responsible for formulation of policies and regulations for National Urban Housing and Habitat Policy, Real Estate Industry, Model Real Estate Developer Regulation Bill, Rental Housing Strategy and Model Rental Law, Housing Finance and Housing Micro Finance and matters relating to Bilateral and Multilateral Cooperation
5	Mr. Surendrakumar Natverlal Bhatt	Part Time/ Non Official Director	B.Com, LLB	He has held many district level administrative positions in the past

Table – Composition of Senior Management as of 15th July 2017

S.no	Name	Designation	Qualifications
1	Mr. Rajesh Goel	Chairman & Managing Director	B.Tech(Civil) & MBA (Fin.)
2	Mr. S.K.Gupta	Director(Tech.) & Transparency Officer	B.E.(Mech.)
3	Mr. Satish Kumar Jain	G.M (Engg.)- MS&P & Estate officer	BE(Civil), ME(Const.) & LLB
4	Mr. Rajesh Kumar	AGM (Engg.)	B.Tech (Civil)
5	Mr. Gyan Prakash Ranjan	Chief (HR) (having charge also HAC, Liaisoning officer SC/ST matters)	MSc, MBA(HRM), BFWOE

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6	Mr. Vinod Kumar Gupta	FA&CAO	CA
7	Mr. Vijayanand Shinde	Deputy General Manager (Engg.)	BTech (Civil)
8	Mr. S K Das	Deputy General Manager (Engg.)	BTech (Civil)
9	Mr. Rajesh Shukla	Manager (Arch.)	B.Arch

2.4 Capital structure

As on 15th July 2017, the authorised share capital of HPL was Rs 138.00 crores consisting of 1,38,00,000.00 equity shares of Rs 100.00/- each. The issued and fully paid up share capital consists of 1,34,76,685.00 equity shares of Rs 100.00/- each aggregating to approximately Rs 134.77 crores as at 15th July 2017.

The current shareholding pattern of HPL is as under:

Shareholder	No of shares held	% Shareholding
President of India	1,34,76,682	99.99%
Others	3	Negligible
Total	1,34,76,685	100%

2.5 SWOT Analysis

Strengths

- Government Backing
- Zero debt company
- Vast experience in Pre-fab
- R&D efforts
- Wide geographic reach

Weaknesses

- Low net worth
- Loss making at core operations level
- Factory workers on permanent payroll despite closure of manufacturing

Opportunities

- Plans like Housing for All by 2022
- Growth in affordable urban & rural housing
- Slum redevelopment
- Construction of Smart cities
- Government's focus on educational & health infrastructure

Threats

- Intense competition from private players in housing sector
- Reduction in business on nomination basis

3. Current status of HPL

3.1 Shareholding status

All of the Equity Shares are held by the President of India except 3 Equity Shares held by various full time and part time directors who are appointed by the GoI from time to time and who do not hold any beneficial interest in the shares.

3.2 Business status

Business Model

The Company receives project management consultancy contracts for construction of housing blocks, tenements, administrative blocks, toilets, etc. from state sponsored institutions, government agencies and state & central governments through nomination.

The company is also involved in the advocacy of prefab technology for which it organizes various interactions, seminars / exhibitions, etc for various stakeholders in the sector, on behalf of the MoHUA. Typically, the contracts awarded to the Company provides for typically an advance amount to be received from the client / customer as agreed for executing that project. HPL typically sub-contracts these construction projects to EPC or construction companies through a bidding process.

HPL therefore, requires negligible working capital financing as advance amount received from the customer / client remains with HPL and is released to the sub-contractor on a milestone basis as per the terms of the tender document.

HPL undertakes these contracts on a cost plus basis with most projects having margins of 5-9% over the total cost of the project.

The revenue is recognized in the books of account as per the value of work done that includes the total value of the project including the margin charged by the Company. Other income earned by the Company is largely in the form of interest income on the advance received unutilized in the bank accounts of HPL.

Prefab expertise

HPL has been engaged in prefab sector through advocating its use in construction of various types structures and through taking up construction projects using prefab and other emerging technologies.

Towards sensitizing the stakeholders on the emerging technologies for mass housing, a number of events including conferences, round tables and exhibitions are organized by the company.

The company is undertaking several projects using prefab components. Some of these projects include pre-engineered building project for construction of hostel and staff quarters for NIT, Jote

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in Arunachal Pradesh, construction of nearly 10,500.00 toilets in schools under Swachh Bharat Abhiyaan across the country for various CPSEs under their corporate social responsibility initiatives.

The company is developing a module on 'Prefabricated Concrete Construction' in association with United Nations for an E-course of prefab technology. In October 2016, the company inaugurated the Housing Technology Park at its Jangpura facility. The Company unveiled various types of prefab technologies illustrated through construction of eleven different demonstration houses in the Housing Technology Park.

Operational Performance

The Company's order book has grown at a CAGR of 19.81% between FY 2014 and FY 2017 to Rs. 1,531.80 crore. The Company was working on several projects including construction of housing blocks, academic centres, suburban market, hostel, etc for educational institutions, such as NITs & IITs, and for government bodies. The value of work in progress stood at Rs. 645.39 crores and value of work to be taken up stood at Rs. 886.41 crores as of 31 Mar 2017. The new work received by the company has grown from Rs. 418.89 crores in FY 2013 to Rs. 719.21 crores in FY 2017.

The Company's net worth stood at Rs. 24.41 crores as at 31 March 2016. The commitments and contingent liabilities stood at Rs. 16.11 crores and Rs. 25.76 crores as at 31 March 2016 (down from Rs. 16.90 crores and Rs. 31.21 crores as at 31 March 2015).

Employee Base

Type	Number
Class A	33
Class B	1
Class C	183
Class D	24
Contractual	143
Total	384

3.3 Real Estate Asset Holding

The Company holds land parcels, flat and commercial office space either under perpetual lease from the Land and Development Office or procured from other agencies. Below is the brief description of real estate assets held by the Company as of 15th July 2017. The Company has sub-leased some of these assets to third parties some of which are government institutions such as the Employees' Provident Fund Organisation.

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HPL has passed a resolution of Board of Directors dated 17th August 2017 deciding to hive off land & other immovable assets.

S.No.	Particulars	Area	Status Title Deed
1.	Factory Land	27.55 Acres	Conveyance Deed has already been executed by the Govt. in favour of HPL. But lease deed for this land is pending execution.
2.	Cycle Stand Land	1.09 Acres	The conveyance deed for the land measuring 1.089 acres is also pending for execution
3.	Flat No.C-19, Jangpura Ext.	241.58 Sqm	The conveyance deed in favour of HPL has already been executed.
4.	Plot No.C-27, Jangpura Ext.	272.06 Sqyd	
5.	Office Space at SCOPE Minar, Laxmi Nagar	394.75 Sqm	Office space allotted by SCOPE to HPL is lease hold land by DDA to SCOPE
6.	<i>Additional land in possession both side of Nizamuddin Ashram Bridge</i>	<i>Approx. 3.00 Acres, out of which a sub-way has been constructed by MCD for public</i>	<i>Possession letter dated 10.10.1990 of M/o UD, Govt. of India to protect and take care of this land.</i> <i>HPL does not have legal possession of this land parcel.</i>

The board of directors were informed about the following decisions taken by the Ministry of Housing & Urban Affairs with the approval of Hon'ble Minister (Housing & Urban Affairs) via board note no. 23/2017-18 dated 16th August 2017:

- i. The hived off land and other immovable assets will not form part of the valuation of the Company and this Transaction.
- ii. The ownership of the above mentioned real estate assets shall vest with the GoI.
- iii. The registered office of HPL, which is one of the immovable assets located on the hived off land, will continue to operate from its current locations till further decision is taken by the competent authorities in consultation with the Land & Development Office.
- iv. The residential quarters which are currently being used by staff members and families of HPL are also part of immovable assets located on the hived off land and the then current allottees (staff and families) may be allowed to continue to use these residential quarters till further decision by the competent authorities in consultation with the Land & Development Office.

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- v. The status quo for the purpose of access to the above mentioned registered office of HPL and the residential quarters of HPL staff and families would be maintained.
- vi. The hiving off of surplus real estate assets and immovable assets would be done as per the prescribed process and HPL would be compensated as per standard rules and procedure in this regard.

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4. Financials

4.1 Balance Sheet

All figures in Rs. Lacs

Particulars	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
LIABILITIES					
Share Capital	13,476.69	13,476.69	13,476.69	13,476.69	13,476.69
Reserves & Surplus	(12,215.92)	(12,575.58)	(12,528.61)	(12,041.31)	(11,035.72)
Shareholder Funds	1,260.77	901.11	948.07	1,435.38	2,440.97
Other Long-term Liabilities	-	-	897.68	2,404.56	2,420.62
Long-term Provisions	791.96	1,067.46	1,219.95	1,511.92	1,858.49
Non - current Liabilities	791.96	1,067.46	2,117.63	3,916.48	4,279.11
Trade Payables	10,583.06	7,006.44	6,276.11	9,407.76	9,716.05
Other Current Liabilities	12,012.90	14,713.72	15,360.68	16,003.85	15,472.85
Short-term Provisions	289.32	262.53	39.13	100.16	150.01
Current Liabilities	22,885.28	21,982.69	21,675.92	25,511.77	25,338.91
Total	24,938.01	23,951.26	24,741.63	30,863.63	32,058.99
ASSETS					
Tangible Assets	349.38	370.55	370.12	294.65	273.63
Intangible Assets				0.11	0.01
Fixed Assets	349.38	370.55	370.12	294.76	273.64
Long-term Loans and Advances	-	-	-	439.06	1,053.74
Other Non-Current Assets	184.43	179.13	176.29		
Inventories	21.86	21.19	19.45	17.60	-
Trade Receivables	9,887.84	3,958.52	4,216.42	7,407.09	4,627.93
Cash and Bank Balance	11,990.08	14,793.29	15,578.14	19,682.40	20,993.95
Short-term Loans & Advances	2,504.41	4,512.03	4,268.77	2,832.49	4,523.75
Other Current Assets	-	116.55	112.44	190.23	585.98
Current Assets	24,404.19	23,401.58	24,195.22	30,129.81	30,731.61
Total	24,938.01	23,951.26	24,741.63	30,863.63	32,058.99

Source: Annual reports and financial results of HPL available on <http://hindprefab.in>

Note: Balance Sheet of for FY 2017 shall be made available after end of August 2017

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4.2 Profit & Loss Account

All figures in Rs. Lacs

Particulars	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenue from operations	22,911.65	16,494.10	18,632.38	25,013.22	42,322.81	26,136.20
Other Income	648.63	1,018.45	1,066.42	1,218.95	1,889.96	2,309.15
Total Revenue	23,560.28	17,512.55	19,698.80	26,232.17	44,212.77	28,445.35
Work and Consultancy expense	21,369.77	15,480.29	17,390.50	23,307.38	39,023.58	24,623.90
Employee Benefits expense	1,429.63	1,787.88	1,791.11	1,902.61	2,536.02	2,222.79
Other Expenses	403.55	451.45	392.71	323.71	500.07	383.39
Expenses	23,202.95	17,719.62	19,574.32	25,533.70	42,059.67	27,230.08
EBITDA	357.33	(207.07)	124.48	698.47	2,153.10	1,215.28
EBITDA %	1.52%	-1.18%	0.63%	2.66%	4.87%	4.27%
Depreciation and Amortization expense	16.24	17.87	19.34	38.60	26.25	26.24
EBIT	341.09	(224.94)	105.14	659.87	2,126.85	1,189.03
EBIT %	1.45%	-1.28%	0.53%	2.52%	4.81%	4.18%
Provisions and balances written off	-	-	-	-	824.60	146.16
Prior Period Expenses (Net)	6.77	2.32	41.90	0.26	12.60	7.55
Finance Cost	26.22	142.28	5.24	-	-	-
EBT	308.10	(369.53)	58.00	659.61	1,289.65	1,035.33
EBT %	1.31%	-2.11%	0.29%	2.51%	2.92%	3.64%
MAT Current Year	61.41		11.00	132.00	276.00	
MAT Previous Year				-	8.06	
Total MAT U/S 115JB	61.41	-	11.00	132.00	284.06	-
EAT	246.70	(369.53)	46.99	527.60	1,005.58	1,035.33
EAT %	1.05%	-2.11%	0.24%	2.01%	2.27%	3.64%

Source: Annual reports and financial results of HPL available on <http://hindprefab.in>

Note: FY 2017 figures are provisional and may vary subject to audit

5. Industry Outlook & Impact on HPL

According to India Brand Equity Foundation (IBEF), the government has targeted an investment of Rs 25 lac crores in infrastructure sector over a period of three years, which will include Rs 8 lac crores for developing 27 industrial clusters and an additional Rs 5 lac crores for road, railway and port connectivity projects. According to IBEF publications, the Indian real estate market is expected to touch US\$ 180 billion by 2020, representing a compounded annual growth rate (CAGR) of 11.2% in the period FY 2008-2020.

Key Industry Characteristics

- **Major Employment Generator** – According to IBEF, real estate market in India is the second largest employer after agriculture. It is ranked 3rd among the 14 major sectors in terms of direct, indirect and induced impacts in the overall economy.
- **Fragmented Industry Structure** – The industry has lower entry barriers and limited capital requirement to set up an EPC or PMC company, enabling several small companies to start business by hiring talented engineers required to carry-out business activities. The industry is constituted by both private and government players with government entities largely set up to cater to infrastructural requirements of the country.
- **Low working capital requirements** – PMC industry requires negligible working capital financing as the advance is received for execution of construction contract from the party awarding the contract while payments are released to EPC companies for construction on achieving milestones.
- **High intensity of competition** – Due to presence of several small companies which house talented pool of engineers, there is high intensity of competition. However, as bidding remains the most preferred way of choosing a contractor, competition can be limited by way of putting minimum qualifying criteria, while inviting bids, in the form of financial health of the company, years of experience, order book size, sector experience, etc. Further, in case of government agencies awarding work, large contracts are often awarded via nomination to government owned PMC and EPC companies such as HPL, HSCC, NBCC, etc.
- **Susceptible to external environment** – The completion of a project is often subjected to receiving multiple approvals from several central and state regulatory bodies such as pollution boards, airport authority, ministry of environment, ministry of forest, etc. Receiving such approvals in a timely manner can be a hurdle for most projects. Further, land acquisition also poses a problem at times due to unfair compensation offered to the land owners that can lead to stalling the project after it has started from the protesting land owners and activists.

Key Future Growth Drivers of Industry that Impact HPL

HPL is likely to benefit from the current industry developments and government initiatives that target to address the housing shortage and upgrading of cities under specific missions of the central government. As HPL is an execution agency of public construction works, it may witness a steady flow of contracts which will keep its order book and financial statements robust.

- **Pradhan Mantri Awas Yojana (PMAY)** – Housing for All by 2022 – Launched on 25th June 2015, PMAY anticipates construction of 2 crores housing units till 2022 in the economically weaker section (EWS) and low-income group (LIG) segments. The RBI is assisting this mission by offering interest rate subvention of housing loans for such housing units. The scheme is proposed to be implemented in three phases:
Phase 1 – April 2015 to March 2017 to cover 100 cities selected from states/urban territories
Phase 2 – April 2017 to March 2019, to cover additional 200 cities
Phase 3 – April 2019 to March 2022, to cover all other remaining cities
- **Smart Cities Mission** – In June 2015, Ministry of Urban Development laid down the guidelines for formulation, approval and execution of projects under the Smart City Mission which will cover 100 cities by 2019-20. According to IBEF, investments worth Rs 50,802 crores were projected over five years with Public Private Partnership (PPP) being a major vehicle of resource mobilisation.
- **Swachh Bharat Mission** – The government on 2nd October 2014, announced one of its flagship projects, the Swachh Bharat Mission that targets eradicating open defecation in India by 2019. The government has budgeted Rs. 13,948.27 crores for 2017-18 for the Swachh Bharat Mission Rural Programme.
- **Government's focus on healthcare** – In 2017-18 budget, the government increased the allocation to healthcare which in absolute terms represents a y-o-y increase of 22%. The government is likely to increase its focus on healthcare going forward.

6. Submission of EOI

Any interested bidder (“Interested Bidder” or “IB”), participating in the transaction has to submit an EoI. Details regarding the Transaction process, list of important documents to be submitted along with the EoI, eligibility criteria for the IB, disqualification of the IB and other general instructions have been shared in the following sections.

6.1 Transaction process

6.1.1 An advertisement has been issued in the newspapers inviting IBs to submit their EoI to participate in the Transaction. A copy of the advertisement is enclosed as Annexure I.

6.1.2 The process for the Transaction has been divided into two stages, namely, Stage I and Stage II, as follows.

6.1.3 Stage I

6.1.3.1 Through this PIM, the GoI is providing the IB with instructions for submitting its EoI, which would be used for prequalifying the IB in accordance with the criteria specified to proceed with the Transaction.

6.1.3.2 Following receipt of PIM, IB will be required to respond with the EOI as per the format in Annexure II along with the documents and along with a non-refundable fee of Rs. 1,00,000 (Rupees one lac) to be retained through an account maintained by TA. It may please be noted that this fee will not be refunded even in case the Transaction is called-off by the GoI.

6.1.3.3 The EOI will be evaluated based on the Eligibility Criteria and Disqualification conditions detailed in this PIM.

6.1.4 Stage II

6.1.4.1 Based on the evaluation of the EOIs submitted in Stage I, the shortlisted IB will be provided with Request for Proposal (“**RFP**”) and a Confidential Information Memorandum (“**CIM**”), which shall provide further details of the Company and the Transaction subject to the IB entering into a Confidentiality Undertaking as enclosed in Annexure III.

6.1.4.2 The shortlisted IB proceeding to Stage II will be given access to the data room to review documents pertaining to the Company for conducting due diligence on the Company, subject to the IB entering into a Confidentiality Undertaking in terms of the RFP.

6.1.4.3 The format and formalities related to the RFP will be communicated in due-course.

6.1.5 This PIM along with annexures will be available on the following websites:

- www.yesbank.in
- <http://dipam.gov.in/>
- www.hindprefab.in
- <http://mohua.gov.in/>

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- 6.1.6 The Transaction will be subject to applicable statutory and regulatory restrictions and approval requirements.
- 6.1.7 This PIM does not constitute any commitment on the part of GoI or any of their respective officers, employees, advisors or agents, whether in respect of the disinvestment process or otherwise. This PIM and invitation for submission of EOIs neither confers any right nor expectation to any other subsequent additions and modifications thereof.
- 6.1.8 GoI reserves the right to withdraw from the Transaction or to accept or reject any or all EOIs or financial bids at any stage of the Transaction and/or modify the process or any part thereof or to vary any terms at any time without assigning any reason whatsoever. In such an event no financial obligation whatsoever shall accrue to GoI or any of its respective officers, employees, advisors or agents.
- 6.1.9 A site visit may be scheduled to facilitate the shortlisted IB in its assessment of the Company at the discretion of the GoI. The modalities related to the site visit and due diligence will be communicated to the shortlisted IB in due course.
- 6.1.10 The shortlisted IB shall carry out its own due diligence, independent assessment and appraisal of the Company and the Transaction. The GoI or its respective consultants, agents, officials, advisors and employees make no representations, and in relation thereto shall not be liable in any manner whatsoever.
- 6.1.11 EOI is liable to be rejected by GoI/Transaction Advisor if IB fails to meet the eligibility criteria as specified in section titled 'Eligibility Criteria' and/or is disqualified in accordance with the conditions specified in section titled 'Disqualifications' in this PIM.

6.2 Eligibility Criteria

Eligibility Criteria for the Interested Bidder to move to Stage II shall be the following:

6.2.1 Ownership

As on March 31, 2017, an IB must be a Central Public Sector Enterprise (CPSE) as classified by Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Government of India. CPSE, as defined by DPE, is any government company in which more than 50% equity is held by the Central Government. The subsidiaries of these companies in which any CPSE has more than 50% equity are also categorized as CPSE, if registered in India.*

* Definition as per Public Enterprises Survey 2015-16 Chapter 1 Performance Overview (Page 1)
http://dpe.gov.in/sites/default/files/PES_Annual_Report_English.pdf

(IB to provide an undertaking as per Annexure IV)

6.2.2 Financial Capability

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For purpose of evaluation of EoI under this criterion, audited financial statements as on March 31, 2017 shall be considered. In the event the Interested Bidder does not have audited financial statements as on March 31, 2017, provisional financial account for the Interested Bidder as certified by its statutory auditor/Board of Director may be considered.

- 6.2.2.1 IB must have net worth, on a consolidated basis, of not less than Rs. 50 crores (Rupees Fifty Crores) as per the audited financial statements ending 31st March 2017. The definition of Net Worth is as follows and is as per Clause 57 of Section 2, Companies Act, 2013:

Net Worth = aggregate value of the paid-up share capital + all reserves* created out of the profits and securities premium account – aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off
(IB to provide details as per Annexure V)

*Reserves created out of revaluation of assets, write-back of depreciation and amalgamation are not to be included

- 6.2.2.2 IB must have reported a positive Profit After Tax (PAT) (as per consolidated profit and loss account) in at least three out of preceding five audited financial statements (FY 2013, FY 2014, FY 2015, FY 2016 and FY 2017).

(IB to provide details as per Annexure VI)

6.3 Instructions to IBs

- 6.3.1 Each IB will submit duly filled EoI as per the format in Annexure II.
- 6.3.2 Each IB must provide with the EoI a Confidentiality Undertaking as per the format in Annexure III.
- 6.3.3 Each IB must provide the information sought in Section 6.2: Eligibility Criteria. Such information must be provided as per the prescribed format in Annexure IV, Annexure V and Annexure VI.
- 6.3.4 Each IB must provide with the EoI a Power of Attorney (as per the format in Annexure VII).
- 6.3.5 Each IB must provide with the EoI a Statement of Legal Capacity as per the format in Annexure VIII, duly executed by its authorized official/ representative that it has the requisite corporate authorization to submit the EoI and that all information provided in the EoI is complete and accurate in all material respects to the best of their knowledge.
- 6.3.6 Each IB must provide with the EoI, completely filled Form A (as per the format in Annexure IX) along with the other requisite information as detailed below.
- Memorandum and Articles of Association or other Constitution Documents; and

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- A certificate duly signed by the company Secretary/any other officer in charge of legal affairs stating that the IB is eligible to participate in the proposed Transaction as per its Memorandum and Articles of Association (or any Constitution Document); and
- Audited consolidated financial statements and annual reports for the last three financial years; and
- Certificate from a chartered accountant/ statutory auditor certifying the net worth as per the format in Annexure V; and
- Details of shareholding pattern with summary certification of the shareholding as per the format in Annexure IV; and
- A brief profile write – up of the IB containing details related to IB’s; and
 - Business history and growth; and
 - Business Areas and Activities; and
 - Brief commentary on the capability of the IB as demonstrated, inter alia, in its past track record to run its own business.
- List of board of directors and senior management along with the organization structure and a brief summary certified by the company secretary/any other official in charge of legal affairs; and
- A brief summary of the roles and responsibilities of the directors and key management personnel duly certified by the company secretary/any other official in charge of legal affairs; and
- The names and addresses of the companies and professional firms, if any, who are (or will be) advising the IB, together with the names of the principal individual advisors at those companies and firms; and
- Brief write up of the IB’s international operations, joint ventures / alliances (whether international or domestic), nature and size of such operations, equity ownership, if applicable, copies of the audited accounts for the last one year of such companies; and
- Details of all outstanding litigations; and
- Details of all contingent liabilities that, if materialised, that have or would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the Interested Bidder, or other similar business combination or sale; and

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- Commencement certificate; and
 - Date and place of incorporation, registered office address, head office address; and
 - Name, designation, phone number, mobile number, facsimile number, and e-mail address of the persons who are the principal points of contact.
- 6.3.7 Each IB must provide with the EoI a Declaration as per the format in Annexure X.
- 6.3.8 All costs associated with the preparation and submission of the EoI, due diligence, site visits (if any) will be borne by the respective IB. The Transaction Advisor/GoI shall not, under any circumstances be responsible or liable for any such costs, whether direct, incidental or consequential.
- 6.3.9 The GoI/Transaction Advisor reserves the right to call for any additional document/information from the IB, which may be considered necessary without any liability to the Company/GoI.
- 6.3.10 Notwithstanding anything to the contrary contained in this PIM, the detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IB hereunder shall continue to have effect in addition to its obligations under the definitive agreements.
- 6.3.11 **Enquiry:** Transaction Advisor reserves the right, in its sole discretion, not to respond to any questions raised or provide clarifications sought. Nothing in this section shall be taken or read as compelling or requiring the Transaction Advisor to respond to any question or provide any clarification. No extension of any time and date referred to in this PIM shall be granted on the basis or grounds that the Transaction Advisor has not responded to any question or provided any clarification.
- 6.3.12 **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 New Delhi.
- 6.3.13 Any withdrawal of the EoI by IB or any substitution in the EoI by IB or additional information supplied by IB, unless the same has been expressly sought for by GoI/Transaction Advisor, shall be disregarded.
- 6.3.14 The IB shall be expected to provide certificates, undertakings, bank guarantees, or such similar documents for such amounts and on such terms and conditions prior to submission of the financial bid in Stage II as may be informed by the GoI.
- 6.3.15 The IB shall be required to deposit an earnest money at Stage II, if so required by GoI. The draft of the earnest money guarantee agreement, if any, shall be provided to the IB at the time of

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providing all other draft documents before submission of financial bid in Stage II, if required by the GoI.

- 6.3.16 The GoI/Transaction Advisor reserves the right to verify all statements, information and documents submitted by the IB in response to the PIM, or the EoI process and the IB shall, when so required by the GoI/Transaction Advisor, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GoI or its advisors shall not relieve the IB of its obligations or liabilities hereunder nor will it affect any rights of the GoI thereunder.
- 6.3.17 The GoI reserves the right to seek any additional indemnities, warranties, representations or performance obligations to its satisfaction from the IB or any of its related entities.
- 6.3.18 The IB shall continue to meet with the eligibility criteria and shall also not be disqualified as per conditions mentioned in this PIM at all times until the consummation of the Transaction.
- 6.3.19 **Amendment to PIM:** At any time prior to the Due Date of EoI, GoI may, for any reason, whether at its own initiative or in response to clarifications requested by any IB, modify the PIM by the issuance of addendum.
- 6.3.20 The IB shall be responsible for obtaining all the applicable approvals to complete the Transaction within a specified time limit. For the purpose of this Transaction, the IB shall ascertain the applicability and implications of all laws pertaining to the Transaction and shall ensure compliance with all the applicable laws.

6.4 Filing Requirements

- 6.4.1 IB shall ensure that the EoI is complete as to requirements of the specified documents/information as instructed in this PIM.
- 6.4.2 The EoI must be signed by a duly authorized representative of the interested party. The IB shall also be required to submit a Power of Attorney (Annexure VII) authorizing the signatory of the EoI to commit the IB.
- 6.4.3 The signed EoI as per the format in Annexure II along with all its annexure and supporting documents as detailed in the table below must be submitted in physical form only not later than the Due Date in two envelopes at the following addresses:

Mr. Karandeep Singh,
Assistant Vice President
YES Bank
48, Nyaya Marg, Chanakyapuri,
New Delhi - 110 021

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Envelope 1	<ul style="list-style-type: none"> • Expression of interest (Annexure II) • Confidentiality Undertaking (Annexure III) • CPSE Declaration and Shareholding Certificate (Annexure IV) • CPSE Declaration of Net Worth (Annexure V) • CPSE Declaration of Profitability (Annexure VI) • Executed POA (Annexure VII) • Statement of Legal Capacity (Annexure VIII) • Form A (Annexure IX) • Declaration (Annexure X) • Demand draft of non-refundable fee amounting to Rs. 1,00,000 in favor of YES Bank – HPL
Envelope 2	<p>Additional documents and details such as</p> <ul style="list-style-type: none"> • Annual reports (previous 3 financial years) • Memorandum of association • Articles of association • Share holding pattern, certificate stating the eligibility to participate in the proposed Strategic Sale, nature of business and information of operations, list of board of directors and senior management, write up on international operations, joint ventures / alliances and copies of the audited consolidated accounts, list of advisors, details of all outstanding litigations, details of all contingent liabilities, and supporting documents for date and place of incorporation, date of Commencement of Certificate, full address of registered office and head office as part of Request for Qualification (Annexure IX)

- 6.4.4 The covering envelope containing the above mentioned envelope 1 and envelope 2 must be clearly marked “Private and Confidential – Expression of Interest for the strategic sale of Hindustan Prefab Limited”.
- 6.4.5 IB shall be entitled to submit only one EoI. In case, more than one EoI is submitted by an IB, all such EoIs shall be rejected.
- 6.4.6 The EoI received shall be valid for 180 days from the date of opening of the EoI,
- 6.4.7 Any submission whether in part or full via email or facsimile will not be permitted. Any document received after the Due Date will be disregarded. Any submission made shall be rejected if it is not made as per the instructions mentioned in this PIM.
- 6.4.8 Unless otherwise specified, a self-certified true copy by IB’s authorized signatory of the supporting documents shall be submitted.
- 6.4.9 The documents including this PIM and all attached documents are and shall remain or become the properties of the GoI and are transmitted to the IB solely for the purpose of preparation and the

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submission of EoI in accordance herewith. IB is to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of its EoI.

6.4.10 Transaction Advisor/GoI shall bear no responsibility for non-receipt of documents sent by post/courier.

6.5 Disqualification

6.5.1 An EoI that is found to be incomplete in content and/or attachments and/or legal capacity/authenticity shall be rejected.

6.5.2 Without prejudice to any other rights or remedies available to GoI, the GoI / Transaction Advisor reserve the right to reject the EoI and disqualify any IB for any of the following reasons (including but not limited to those listed below):

6.5.2.1 Misrepresentation/false statement is made by the IB, at any stage in the bidding process, whether in the EoI, the financial bid, supporting documentation or otherwise and whether written or oral; or

6.5.2.2 If the EoI submitted by the IB is in any respect inconsistent with, or demonstrates any failure to comply with, the provisions of the PIM; or

6.5.2.3 Failure on the part of the parties interested to provide necessary and sufficient information required to be provided in accordance with the EoI; or

6.5.2.4 Submission of more than one (1) EoI by any IB in which case, all such EoIs shall be rejected; or

6.5.2.5 The IB not satisfying the eligibility criteria specified in this PIM; or

6.5.2.6 Failure to comply with any reasonable request, of GoI / Transaction Advisor in relation to the Transaction; or

6.5.2.7 If it is discovered at any time that the IB is subjected to any winding up/insolvency proceedings or other proceedings of a similar nature; or

6.5.2.8 Any information regarding or in connection with the IB which becomes known that is detrimental to the national security and/or public interest and/or national interest and/or Transaction and/or the interests of the GoI/ Company; or

6.5.2.9 Initiation or existence of any legal proceedings, by or against the IB in respect of the Company, which proceeding may be prejudiced by the participation of the IB in the selection process or the Transaction; or

6.5.2.10 Non fulfilment of any condition by the IB as specified in the PIM; or

6.5.2.11 Breach of Confidentiality Undertaking executed by the IB; or

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- 6.5.2.12 Any condition or qualification or any other stipulation inserted by the IB contained in the EoI shall render the EoI liable to rejection; or
- 6.5.2.13 Any IB who does not satisfy the requirements of eligibility or is disqualified under the Eligibility Guidelines. The GoI has issued guidelines for disqualification of bidders seeking to acquire any public sector enterprises through the process of disinvestment vide Department of Disinvestment OM No.6/4/2001 – DD-II dated 13th July 2001 and clarification issued on 10th January 2002 (“Eligibility Guidelines”). These guidelines as modified from time to time shall apply. A copy of the Eligibility Guidelines is enclosed as Annexure XI.; or
- 6.5.2.14 If the IB does not satisfy any of the requirements as may be issued by the GoI by way of notifications / issue of guidelines / circulars or such similar notifications from time to time including any conditions of disqualifications, the EoI submitted by such IB shall be disqualified.
- 6.5.3 Notwithstanding anything contained in this PIM, the GoI reserves the right to reject all the EoIs and to annul the EoI process at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof. In the event that the GoI rejects or annuls all the EoIs, it may, in its discretion, invite all eligible IBs to submit fresh EoI hereunder.
- 6.5.4 GoI’s determination that one or more of the events specified in this section titled “Disqualification” has occurred shall be final and conclusive.



INVITATION FOR EXPRESSION OF INTEREST BY THE GOVERNMENT OF INDIA FOR STRATEGIC DISINVESTMENT IN HINDUSTAN PREFAB LIMITED BY WAY OF ACQUISITION BY A SIMILARLY PLACED CPSE

(This announcement is neither a prospectus nor an offer/invitation to the public for sale of shares, securities or debentures to the public.)

Hindustan Prefab Limited (“HPL” or the “Company”) is a public sector undertaking, under the administrative control of the Ministry of Housing and Urban Affairs. The Company was incorporated on January 27, 1953 and is primarily engaged in the field of project management consultancy services for construction of housing blocks, service areas and other structures for public institutions in India.

The Government of India (GoI) has ‘in-principle’ decided to disinvest 100.00% equity shareholding in HPL along with transfer of management control through a competitive bidding process by way of acquisition by a similarly placed CPSE through sale of Equity Shares. The GoI, through the Department of Investment & Public Asset Management has appointed YES Bank Limited (“YES Bank”) as its Transaction Advisor to advise and manage the Strategic Disinvestment of HPL (“Transaction”).

This disinvestment process is to be implemented through physical open competitive bidding route. Accordingly, Expression of Interest (EoI) is invited through this advertisement from Interested Bidders who qualify as CPSEs. The details of EoI can be downloaded from www.yesbank.in, <http://dipam.gov.in/>, <http://hinduprefab.in> and <http://mohua.gov.in/>. In future, any amendments/ extension of due date for submission of EoI will be uploaded on the above websites only.

Interested Bidders are requested to submit their EOI along with the documents in the prescribed format specified in the Preliminary Information Memorandum (PIM) at the under-mentioned address, not later than 1500 hours (IST) on 09 November 2017. Further any queries or request for clarification/additional information concerning the PIM shall be submitted to the under-mentioned address. The communications shall clearly bear the following identification / title: Query: PIM – HPL

Mr. Karandeep Singh,
YES Bank Limited, 48, Nyaya Marg, Chanakyapuri, New Delhi - 110 021
Email: karandeep.singh3@yesbank.in
Tel: +91 11 6656 9000

This advertisement does not constitute, and will not be deemed to constitute, any commitment on the part of HPL or GoI or YES Bank; it has been provided only by way of information on HPL. Furthermore, this advertisement confers neither any right nor any expectation on any party to participate in the proposed disinvestment. GoI or YES Bank reserves the right to withdraw from the process or any part thereof, to accept or reject any or all EoIs or financial

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bids at any stage of the process and/or modify the process or any part thereof or to vary terms at any time without assigning any reason whatsoever. No financial obligation will accrue to GoI or YES Bank in such an event. Further, HPL or GoI or YES Bank shall not be responsible for non-receipt of correspondence sent by post/courier/e-mail/fax.

Expression of Interest
(To be printed on the letterhead of the interested party submitting the EoI)

Date: _____

Ref: [x]

To,

Mr. Karandeep Singh,
Assistant Vice President
YES Bank
48, Nyaya Marg, Chanakyapuri,
New Delhi - 110 021

Sub: INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 100% SHAREHOLDING OF GoI IN HINDUSTAN PREFAB LIMITED (“HPL”) THROUGH SALE OF EQUITY SHARES TO A SIMILARLY PLACED CPSE

Sir,

This is with reference to the advertisement dated 13 October 2017 (“**Advertisement**”) inviting Expression of Interest (“**EoI**”) for the strategic disinvestment of such number of Equity Shares representing 100% stake in HPL, a company registered under the Companies Act, 1956 having its registered office at Jangpura, Near Rajdoot Hotel, New Delhi – 110014 (“**Strategic Disinvestment**”).

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the “**Interested Bidder**”), and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the Interested Bidder’s interest for bidding for the Strategic Disinvestment.

We have read and understood the contents of the Advertisement and the Preliminary Information Memorandum (“**PIM**”) and are desirous of participating in the Strategic Disinvestment and undertake as follows:

1. We are interested in bidding for the Strategic Disinvestment of such number of Equity Shares representing hundred (100%) of the equity share capital of HPL.
2. We satisfy the eligibility criteria detailed in the Advertisement and the PIM.
3. We confirm and represent that we have the requisite corporate authorisation to submit the EOI.

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4. We certify that in regard to matters other than security and integrity of the country, we have not been convicted by any court of law or indicted or adverse orders passed by any regulatory authority which relates to a grave offence that outrages the moral sense of the community.
5. 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 any court of law for any offence committed by us or by any of our sister concerns.
6. We further certify that no investigation by a regulatory authority is pending either against us or against our group concerns or against any of our directors or key managerial personnel.
7. We confirm and represent that the EoI is complete and accurate in all respects and requisite authorization has been obtained for the submission of the EoI.
8. In the event we are attracted by any of the disqualifications in terms of the PIM during the pendency of the process of Strategic Disinvestment, owing to change in facts or circumstances, we undertake to immediately intimate the Transaction Advisor and the Nodal Agency.
9. The declaration in respect of pending litigation as per format given in Annexure X duly signed by us is enclosed.
10. The Statement of Legal Capacity and Request For Qualification as per formats given in Annexure VIII and Annexure IX respectively of PIM, duly signed by us are enclosed.

We further understand that the information and data received by us for this transaction is confidential and shall not be divulged or disclosed or reproduced or disseminated, in whole or part, to any person or entity except to our directors, officers, employees and professional advisers who need to know the information for the purpose of evaluating the transaction. We shall use the confidential information only for the purpose of the proposed Transaction.

Our PAN number is _____.

Our TAN number is _____.

Thank you.

Yours sincerely,

Yours faithfully,

Authorised Signatory
For and on behalf of the Interested Bidder

Name of the Person: [●]

Designation: [●]

Enclosed:

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1. Confidentiality Undertaking (Annexure III)
2. POA (Annexure VII)
3. Statement of Legal Capacity (Annexure VIII)
4. Request For Qualification (Annexure IX)
5. Declaration (Annexure X)
6. Demand Draft

Confidentiality Undertaking

[ON RS. [1,000] STAMP PAPER]

DEED OF CONFIDENTIALITY UNDERTAKING

This **DEED OF CONFIDENTIALITY UNDERTAKING** ("**Undertaking**") is made on this [●] day of [●], 2017.

BY

_____, a company incorporated under the Companies Act, [1956/2013] bearing corporate identification number _____ and having its registered office at

_____ (the "**Interested Bidder**");

IN FAVOUR OF:

The President of India, represented by and acting through the Ministry of Housing and Urban Affairs at Nirman Bhawan, Maulana Azad Road, New Delhi - 110 011 (the "**Administrative Ministry**"); and

Hindustan Prefab Limited, a company incorporated under the Companies Act, 1956 bearing corporate identification number U74899DL1953GOI002220 and having its registered office at Jangpura, Near Rajdoot Hotel, New Delhi – 110014 (the "**Company**"); and

The Entities whose names and particulars listed in Schedule 1 (hereinafter referred to as "**Advisors**")

WHEREAS:

- A. The Interested Bidder has submitted an expression of interest for participation in the proposed sale by Government of India ("**GoI**" / "**Government**") of 100 percent of the equity shares of the Company held by the GoI (the "**Transaction**") and has been shortlisted as a "Qualified Interested Party"; and

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- B. In the context of the Interested Bidder's interest in the Transaction, the Disclosing Party (as defined hereinafter) may disclose Confidential Information (as defined hereinafter) to the Receiving Party (as defined hereinafter) to enable the Interested Bidder to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the Interested Bidder hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein:

1. In this Undertaking (including the recitals);

"**Advisors**" means, collectively, Yes Bank Limited, Adroit Technical Services Pvt Ltd and M/s. Crawford Bayley & Co.

"**Confidential Information**" means and includes any and all facts, knowledge, information, documents and materials whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of the Company, its affiliates, associates or subsidiaries (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of the Company and new businesses (if any) proposed to be undertaken by the Company, market and company-specific data, agreements related to its business including know-how and technology agreements, agreements relating to licence to use intellectual property rights, graphs, drawing, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to the Company's operations prepared by external consultants which are proprietary to the Company or the GoI or the Administrative Ministry), and any information memorandum /or draft /final offer document, request for proposal, drafts of shareholders and share purchase agreements or other materials prepared in connection with the Transaction, howsoever documented, that has been or may hereafter be provided or shown to the Receiving Party by the Disclosing Party or is otherwise obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party by the Receiving Party irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute "Confidential Information" for purposes of this Undertaking:

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- (a) Information which the Interested Bidder can prove was already in the possession of the Receiving Party and was available to the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;
- (b) Information which is obtained by the Receiving Party from a third Person who, insofar as is known to the Receiving Party, is not prohibited from disclosing the information to the Receiving party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- (c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party.

The decision of the Government and/or the Company on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding.

"Disclosing Party" means the Advisors, the Company, the Administrative Ministry, the GoI, other Governmental Authority and/or their respective Representatives, whether jointly or severally.

"Governmental Authority" means any governmental or regulatory authority, government ministry or department in India or other rule or regulation making entity having jurisdiction or acting on behalf of the Republic of India or any political subdivision thereof.

"Receiving Party" means the Interested Bidder and/or their respective Representatives, whether jointly or severally.

"Representative(s)" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this Transaction or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

"Person" means any individual, company (including the Company and the Advisors), firm, association, trust, or any other organization or entity (including the Government and any governmental or political subdivision).

2. The Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and the Receiving Party shall not, without the Company's as well as the Government's prior written consent or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the Interested Bidder wishes to proceed with the Transaction and not for any purpose other than the Transaction and the Receiving Party will not directly or indirectly use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party.

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4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the Interested Bidder's execution of this Undertaking, the Interested Bidder, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The Bidder agrees (a) to disclose Confidential Information only to those of its Representatives who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each Representative of the Interested Bidder will be informed and advised in writing by the Interested Bidder of the confidential nature of such information and the contents of and the obligations under this Undertaking and (b) to satisfy itself that each such Representative of the Interested Bidder will hold and treat the Confidential Information in confidence and act in accordance therewith. The Interested Bidder agrees that the Confidential Information shall not, without the Company's as well as the Government's prior written consent, be disclosed by the Interested Bidder and/or Representative of the Interested Bidder, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the Interested Bidder or Representative of the Interested Bidder other than in connection with an evaluation of the Transaction.

The Interested Bidder recognises and acknowledges the competitive value and confidential nature of the Confidential Information and the possible resultant impact to the Company and the Government if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The Interested Bidder acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The Interested Bidders, before disclosing any of the Confidential Information to any of its Representative(s) shall ensure that its Representative(s) have read and understood this Undertaking and have agreed in writing to be bound by the terms and conditions contained herein.

Notwithstanding any agreement or undertaking, the Interested Bidder agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any Representative of the Interested Bidder and shall indemnify and hold the Government, the Company, and the Advisors harmless (including provisions of clause 6 and 15 set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom.

5. Except as permitted by Clause 4 herein and except as expressly permitted by a definitive share purchase agreement, if any, entered into by the Interested Bidder, the Receiving Party will not directly or indirectly disclose to any Person the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party have inspected any portion of the Confidential Information. Except with the prior written consent of the Company and the Government, and except as expressly permitted by such definitive share purchase agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.
6. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable law, and the Interested Bidder hereby jointly and

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severally indemnifies and agrees to hold the Advisors, the Government and the Company indemnified and harmless (without prejudice to Clause 15 set forth below) against all and any consequences arising from any violation by the Receiving Party of such applicable laws.

7. If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Government Authority and/or regulatory body (including any self regulated organisation) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Advisors, the Government and the Company with prompt written notice of such request so that the Advisors, the Government or the Company may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the Interested Bidder's legal counsel (reasonably acceptable to the Advisors, the Government and the Company), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
8. The confidentiality obligations contained in this Undertaking may at the discretion of the Government, the Company and the Advisors, be amended, modified or superseded upon the Interested Bidder executing a definitive agreements, but shall be without prejudice to any of the Advisors', the Government's or the Company's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.
 - a. The Interested Bidder agrees that the Government reserves the right, in its sole discretion to modify the process of the Transaction in any part and/or to vary any terms at any time without prior notice to the Interested Bidder and/or to reject any or all proposals made by the Interested Bidder with regard to the Transaction. The Government may elect at any time to terminate further access by the Receiving Party to any Confidential Information required by the Interested Bidder in connection with its evaluation of the Transaction.
9. The Government and/or the Company may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with its evaluation of the Transaction. After any such termination by the Government and/or the Company, or after the decision of the Interested Bidder to not proceed with the Transaction as specified in Clause 8 above, (i) the Interested Bidder (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies and summaries thereof in the possession or under the control of the Receiving Party, and (b) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material or (ii) alternatively, if the Advisors, the Government or the Company request or give prior written consent to the Interested Bidder's request, the Interested Bidder will destroy or cause to be destroyed all Confidential Information in the possession or under the control of the

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Receiving Party. Any such destruction pursuant to the foregoing must be confirmed by the Interested Bidder in writing to each of the Advisors, the Government and the Company (such confirmation must include a list of the destroyed materials). The Interested Bidder acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information pursuant to termination or otherwise shall not release the Receiving Party from its obligations under this Undertaking.

10. The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of the Government or the Company regarding the business, operations, prospects or finances of the Company, without the Advisors' prior written consent, unless otherwise agreed to in an executed shareholders' agreement entered into in connection with the purchase by the Interested Bidder. It is understood that the Advisors will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Advisors in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Advisors. However, if the Receiving Party is called upon by the Government and/or the Company for any discussions, the Receiving Party will do so or meet the Government and/or the Company only after duly informing the Advisors in writing.
11. The Government reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without limiting the preceding sentence, nothing in this Undertaking (i) requires either the Interested Bidder or the Government to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisors, the Government or the Company to enter into an agreement or an understanding, or prohibits the Advisors, the Government or the Company from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
12. The Receiving Party agrees that from the date of this Undertaking till the completion of the Transaction or as the case may be, till the time the Interested Bidder decide not to proceed with the Transaction, whether pursuant to Clauses 8 or 9 or 11, whichever is earlier, the Receiving Party shall not, directly or indirectly, buy, sell, negotiate, or enter into any arrangements for the purchase and / or sale of any of the shares of the Company, or advise any other person directly or indirectly to buy, sell, negotiate or enter into any arrangements for purchase and / or sell any of the shares of the Company, or take any action or make any statement or announcement that may affect the price of the shares of the Company.
13. The Interested Bidder understands, acknowledges and agrees that the Government, the Advisors and the Company retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy

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and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the Interested Bidder's use of the Confidential Information. The Interested Bidder also agrees that if it determines to proceed with the Transaction, its determination will be solely based on the terms of the definitive agreements as well as on its own investigation, analysis and assessment of its investment. Moreover, unless and until such agreements are entered into, neither the Government nor the Interested Bidder will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.

14. The Interested Bidder hereby indemnifies and agrees to hold the Advisors, the Government and the Company indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the Interested Bidder also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, the Government or the Company will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisors, the Government and/or the Company.
15. The Interested Bidder understands, acknowledges, confirms and agrees that each of the Government, the Company and the Advisors are beneficiaries under this Undertaking. The Interested Bidder further agrees and confirms that each of the Government, the Company and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
16. The Interested Bidder agrees that no failure or delay by the Advisors/the Government / the Company in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
17. The terms of this Undertaking may be varied only with the Company's and the Government's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
18. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.

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19. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched as follows in physical form at the mailing address of the recipient.

If the notice is to the Government:

Ministry of Housing & Urban Affairs
Nirman Bhawan, Maulana Azad Road,
New Delhi - 110 011

Kind Attention: Additional Secretary

With a copy to:

Ministry of Housing & Urban Affairs
Nirman Bhawan, Maulana Azad Road,
New Delhi - 110 011

Kind Attention: JS &FA

If the notice is to the Advisors

YES Bank Limited
48, Nyaya Marg, Chanakyapuri,
New Delhi - 110 021
Kind attention: Karandeep Singh

With a copy to:

M/s. Crawford Bayley & Co.
Advocates and solicitors
State Bank Buildings,
4th Floor, N.G.N. Vaidya Marg,
Fort, Mumbai – 400 023
Maharashtra, India
Kind attention: Mr. Sanjay Asher

And a copy to:

M/s. Adroit Technical Services Private Limited
508, 5th Floor, Devika Tower,
Chander Nagar, Ghaziabad
Uttar Pradesh – 201 011
Kind attention: Mr. Puneet Tyagi

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If the notice is to the Company:

Hindustan Prefab Limited
Jangpura, Near Rajdoot Hotel,
New Delhi – 110014

Kind Attention: Company Secretary

with a copy to:

Hindustan Prefab Limited
Jangpura, Near Rajdoot Hotel,
New Delhi – 110014

Kind Attention: FA & CAO

If the notice is to the Interested Bidder:

[•]

Any of the Interested Bidder, the Government, the Company or the Advisors may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by registered airmail or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorized representative of the Interested Bidder on the date and year first hereinabove written.

Witnessed by:

(Name of Interested Bidder)

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Name:

By:

Address:

[x]

Schedule 1

YES Bank Limited

Adroit Technical Services Pvt Ltd

M/s. Crawford Bayley & Co

CPSE Declaration and Shareholding Certificate

We hereby declare that we are a Central Public Sector Enterprise ('CPSE') named _____ and recognised as a CPSE under Schedule ____ by the Government of India ('GoI').

We also confirm that we continue to remain a CPSE as on date and further undertake that we shall continue to remain a CPSE.

Below is the shareholding summary of our company as of 31st March 2017.

All figures are to be rounded to 2.00 decimal places

Shareholder	Number of Equity Shares Held	% shareholding
The President of India		
Board of Directors		
Others		
Total		

Authorised Signatory: Date:

Company Secretary

CPSE Declaration of Net Worth

We hereby declare that our Net Worth as of 31st March 2017[#] stood at Rs. _____ crores (rounded to 2.00 decimal places) as per the methodology prescribed below for the submission of EOI.

An independent chartered accountant signing this net worth certificate has duly verified the relevant details required in the table below.

All figures are to be filled in Rs. Crores (rounded to 2.00 decimal places)

Particulars	Unit
Number of paid up equity shares (A)	
Face value of each share (B)	
Total paid up capital (C = A*B)	
Aggregate value of reserves created out of the profits and securities premium account (D)	
Aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off (E)	
Aggregate value of reserves created out of revaluation of assets, write-back of depreciation and amalgamation (F)	
Net worth (G = C + D – E – F)	

Authorised Signatory:

Date:

and

Statutory Auditor:
(With Registration Number)

#If the Interested Bidder does not have audited financial statements as on March 31, 2017, Net Worth as per provisional financial account for the Interested Bidder as certified by its statutory auditor/Board of Director may be considered.

CPSE Declaration of Profitability

We hereby declare that our company has reported positive PAT in at least 3 of the 5 preceding audited financial statements on consolidated basis.

Please find below the PAT reported for last 5 audited statements.

All figures are to be filled in Rs. Crores (rounded to 2.00 decimal places)

Fiscal Years	Net Profit
2013	
2014	
2015	
2016	
2017 [#]	

Authorised Signatory:

Date:

or

Statutory Auditor:
(With Registration Number)

#If the Interested Bidder does not have audited financial statements as on March 31, 2017, PAT as per provisional financial account for the Interested Bidder as certified by its statutory auditor/Board of Director may be considered.

Power of Attorney

Power of Attorney for signing of EoI

To all to whom these presents shall come, We
_____ (name of the entity)
having our registered office at
_____ (address of
the registered office) do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint
and authorize Mr./Ms. (name), _____ son/daughter/wife of
_____ and presently residing at

who is presently employed with us and holding the position of _____, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the proposed strategic disinvestment of shares held by the Government of India in Hindustan Prefab Limited including but not limited to signing and submission of all applications, forms and EoI and providing information/ responses to GoI/Transaction Advisor and generally dealing with GoI/Transaction Advisor/Company in all matters in connection with or relating to or arising out of our application for qualification for the Transaction (as defined in the Preliminary Information Memorandum dated 13 October 2017 issued by Yes Bank Limited.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but defined shall have the meaning ascribed to such terms in the EoI.

IN WITNESS WHEREOF WE, _____ THE ABOVE NAMED
PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ___ DAY OF _____

(Signature, name, designation and address)

In the presence of:

- 1.
- 2.

Accepted

Name, Title and Address of the Attorney)

(To be duly notarized)

Note: The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of

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attorney shall be appropriately stamped and notarized. § Wherever required, the Interested Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Interested Bidder.

Statement of Legal Capacity of Sole Interested Bidder

[On the letterhead of the Interested Bidder submitting the Statement of Legal Capacity]

Reference No.:

Date:

To,

Mr. Karandeep Singh,
YES Bank
48, Nyaya Marg, Chanakyapuri,
New Delhi - 110 021

Sub.: Invitation of expression of interest for strategic disinvestment of 100 % of shareholding of GoI in Hindustan Prefab Limited (“HPL”).

Sir/Madam,

This is with reference to the advertisement dated 13 October 2017 (“**Advertisement**”) inviting Expression of Interest (“**EoI**”) for strategic disinvestment of such number of shares representing hundred (100%) of the equity share capital of HPL, a company registered under the Companies Act, 1956 having its registered office at Jangpura, Near Rajdoot Hotel, New Delhi – 110014 (“**Strategic Disinvestment**”).

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the “**Interested Bidder**”), and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the Interested Bidder’s interest for bidding for the Strategic Disinvestment.

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We have read and understood the contents of the Advertisement and the Preliminary Information Memorandum dated 13 October 2017 (“**PIM**”) and are desirous of participating in the Strategic Disinvestment and confirm and undertake as follows:

1. We are interested in bidding for the Strategic Sale of such number of shares representing hundred (100%) of the equity share capital of HPL.
2. We have examined in detail and have understood the terms and conditions and eligibility criteria stipulated in the Advertisement and the PIM and we satisfy the eligibility criteria stipulated in the Advertisement and the PIM.
3. We satisfy the eligibility criteria detailed in the Advertisement and the PIM.
4. We have agreed that [_____] (insert name and designation of individual) will act as our representative and has been duly authorised to submit the EoI (“**Representative**”).
5. The Representative is vested with the requisite power and authority to furnish this letter and Request for Qualification along with all the documents to be submitted pursuant to the EoI and authenticate the same.

Our PAN number is _____.

Our TAN number is _____.

Thank you.

Yours sincerely,

For and on behalf of: (name of the Interested Bidder)

Signature: (Authorised Representative and Signatory)

Name of the Person: [_____]

Designation: [_____]

REQUEST FOR QUALIFICATION

Reference No.:

Date:

Name of the Interested Bidder: _____

1. Constitution (Tick, wherever applicable)
 - a. Public Limited Company;
 - b. Private Limited Company;
 - c. Partnership Firm;
 - d. Trust; or
 - e. Others, if any (Please specify).

2. Memorandum and Articles of Association or other Constitution Documents of the Interested Bidder.

3. A certificate duly signed by our Company Secretary/ any other officer in charge of legal affairs, stating that we are eligible to participate in the proposed Strategic Disinvestment in terms of Clause _____ of our Memorandum and Articles and Association (or any other Constitution Document).

4. Basis of eligibility for participation in the process (please mention basis and attach supporting documents):

- a. attach audited financials (including profit and loss statement, balance sheet and cash flow statement) and the annual report of the last three financial years;
 - b. attach certificate from a chartered accountant/ statutory auditor certifying the net worth as defined in the eligibility criteria.

5. Details of Shareholding Pattern.

6. Provided that, in the event the Interested Bidder has been incorporated in the last 2 years, subject to compliance with all applicable laws, do not have audited financial statements as on March 31, 2017, a provisional balance sheet and profit and loss account for the Interested Bidder as certified by its Board of Directors/ any other governing body should be submitted.

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7. Nature of business carried out by the Interested Bidder and a profile containing information on the Interested Bidder's operations. The profile should contain such details as business history and growth, business areas and activities, capability of the company as demonstrated, inter alia, in its past track record to run its own business.
8. List of IBs board of directors and senior management along with the organization structure certified by the company secretary of the IB.
9. Summary of the roles and responsibilities of the directors and key management personnel of the IB certified by the company secretary of the IB.
10. Brief write up of the IB's of their international operations, joint ventures / alliances (whether international or domestic), nature and size of such operations, equity ownership, if applicable, copies of the audited accounts for the last one year of such companies.
11. The names and addresses of those companies and the professional firms, if any, who are (or will be) advising the IB, together with the names of the principal individual advisors at those companies and firms.
12. Date and Place of incorporation.
13. Date of Commencement of Certificate.
14. Full address including Phone No. / Fax No / Email address.
 - a. Registered Office; and
 - b. Head Office.
15. Address for correspondence.
16. Details of all outstanding litigations.
17. Please provide details of all contingent liabilities that, if materialised, that have or would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the Interested Bidder, or other similar business combination or sale.
18. Contact Person(s):
 - a. Name:
 - b. Designation
 - c. Phone No.:
 - d. Mobile No.:
 - e. Fax No.:
 - f. Email.:

Thank you.

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Yours sincerely,

For and on behalf of: (name of the Interested Bidder)

Signature: (Authorised Representative and Signatory)

Name of the Person: [_____]

Designation: [_____]

***Note:** Please follow the order adopted in the format provided. If the Interested Bidder is unable to respond to a particular question/ request, the relevant number must nonetheless be set out with the words 'No response' against it.*

DECLARATION

1. We solemnly declare that we or our Director(s), CEO or principal officers are not convicted by any court of law or are indicted or have received any adverse order from regulatory authority relating to a grave offence with regard to matters other than the security and integrity of the country.

Grave offence for this purpose shall include

- a) What constitutes "Fraud" under the provisions of the SEBI Act, 1992 and any of the regulations, rules, circulars, notifications, etc. made thereunder.
 - b) SEBI orders on the IB casting doubt on the ability of the IB to hold the stake in the Company.
 - c) Any conviction by a court of law.
 - d) In case of SEBI's order of prosecution, disqualification will arise only on conviction by court of law.
2. We further declare that we or our sister companies have not been issued a chargesheet by any Governmental Authority or convicted by a court of law for any offence with regard to matters relating to the security and integrity of the country.
 3. We further declare that we, our sister company, our Director(s), CEO, principal officers are not under any investigation pending before any regulatory authority or other authority.
 4. We declare that complete information as required is provided in the EOI and RFQ and/or Statement of Legal Capacity.

(Interested Bidder's name) (Interested Bidder's Address)

In case any IB is unable to give above undertaking in view of any conviction, indictment, order or investigation as above full details of the same shall be provided including names of persons involved, designation, charge/offence, ordering/investigating agency, status/outcome etc. with supporting/relevant documents. Any entity, which is disqualified from participating in the Transaction, shall not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.

Department of Investment and Public Asset Management (DIPAM) Guidelines

No. 6/4/2001-DD-II
Government of India
Ministry of Disinvestment
Block 14, CGO Complex
New Delhi.

Dated: 13th July, 2001

OFFICE MEMORANDUM

Sub: Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE-disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like net worth, experience etc. used to be prescribed. Based on experience and in consultation with concerned departments, Government has decided to prescribe the following additional criteria for the qualification / disqualification of the parties seeking to acquire stakes in public sector enterprises through disinvestment:

- a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment / adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. Grave offence is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government.
- b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government / conviction by a Court of Law for an offence committed by the bidding party or by any sister concern of the bidding party would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken, based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons.
- c) In both (a) and (b), disqualification shall continue for a period that Government deems appropriate.
- d) Any entity, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.

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- f) Before disqualifying a concern, a Show Cause Notice why it should not be disqualified would be issued to it and it would be given an opportunity to explain its position.
- g) Henceforth, these criteria will be prescribed in the advertisements seeking Expression of Interest (EoI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EoI). The bidders shall be required to provide with their EoI an undertaking to the effect that no investigation by a regulatory authority is pending against them. In case any investigation is pending against the concern or its sister concern or against its CEO or any of its Directors/Managers/employees, full details of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be obtained along with EoI.

-sd/-

(A.K. Tewari)

Under Secretary to the Government of India

Note: Vide clarification dated: 10.1.2002 to the above guidelines it has been provided that the following offence be treated as a grave offence:

- a) Orders of Securities and Exchange Board of India which directly relates to “fraud” as defined in the Securities and Exchange Board of India Act, 1992 and/or regulations made thereunder;
- b) Orders of Securities and Exchange Board of India which cast a doubt on the ability of the IB to manage the Company after the sale of the shares under the Transaction;
- c) Any conviction by a Court of Law;
- d) In cases in which Securities and Exchange Board of India also passes a prosecution order, disqualification of the IB should arise only on conviction by the court of law.

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Glossary

PIM	Preliminary Information Memorandum
YES Bank	YES Bank Limited
Transaction Advisor	YES Bank Limited
HPL	Hindustan Prefab Limited
Company	Hindustan Prefab Limited
DIPAM	Department of Investment & Public Asset Management
MoHUA	Ministry of Housing & Urban Affairs
Transaction	Proposed Strategic Disinvestment of HPL by DIPAM
IB	Interested Bidders
RFP	Request for Proposal
RFQ	Request for Qualification
CIM	Confidential Information Memorandum
CPSE	Central Public Sector Enterprise
EoI	Expression of Interest
GoI	Government of India
Due Date	The last day for Submission of EoI
Eligibility Guidelines	Eligibility Guidelines issued by GoI for disqualification of bidders seeking to acquire any public sector enterprises
CEO	Chief Executive Officer
IBEF	India Brand Equity Foundation
PMC	Project Management Consultant
EPC	Engineering, Procurement and Construction
PMAY	Pradhan Mantri Awas Yojana

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Strategic Disinvestment Strategic disinvestment of such number of Equity Shares representing 100% stake
in HPL

SEBI Securities and Exchange Board of India

RBI Reserve Bank of India