

**PROCESS LETTER ON THE POSSIBLE REORGANIZATION / RESTRUCTURING  
OF INDIAN EDIBLE OIL BUSINESS / DIVISION(S) OF K. S. OILS LIMITED**

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## **Disclaimer**

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It is clarified that PwC and SBICAP are not joint advisors for this Transaction. They have been approached separately by the Lenders (as authorised by the Company) and their appointments are governed by separate agreements. Neither PwC nor SBICAP has the authority to act as the representative or agent of the other party. PwC assumes no responsibility for the activities or results of SBICAP and vice versa.

## **Definitions**

### **Advisors**

Advisors mean PwC and SBICAP.

### **Affiliates**

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition “control” when used with respect to any Person means the power to direct the management and policies of such Person directly or indirectly, whether through the ownership of more than 50% of the voting securities, majority of the composition of the board of the company or by contract or otherwise; and the terms “controlling” and “controlled” shall be construed accordingly. Holding an indirect stake in a company implies a stake held in the company through a chain of other companies, in which event the percentage of holding would be considered on proportionate terms.

### **Authorized Signatory**

Authorized signatory shall have the meaning as set out in *Section 4.3.1(i)*.

### **Bidder**

A Bidding Company or Bidding Consortium or a Bidding Person, as defined below.

### **Bidding Company**

If the EOI in response to this Process Letter is made by a single corporate entity (unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, limited liability partnership, joint venture, government authority or trust or any other entity or organization), it shall be referred to as Bidding Company.

### **Bidding Consortium**

If the EOI in response to this Process Letter is made jointly by more than one corporate entity (unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, limited liability partnership, joint venture, government authority or trust or any other entity or organization) and / or Person(s), then this group of corporate entities and / or Person(s) shall be referred to as a Bidding Consortium.

### **Brands**

Brands shall mean Kalash, Double Sher and KS Gold. Any extensions / sub brands, if any, will be considered part of the related Brand.

### **Bidding Person**

If the EOI in response to this Process Letter is made by a single individual or sole proprietorship, he / she / it shall be referred to as a Bidding Person.

### **Business**

Business means the Indian edible oils business of the Company carried out through its Divisions.

### **Company**

Company means K. S. Oils Limited.

**Division**

Division shall mean (i) any of the manufacturing facilities and related offices of the Company located at Morena, Ratlam and Guna (all three in Madhya Pradesh), Kota (Rajasthan) and Haldia (West Bengal) respectively, and (ii) the Brands of the Company, all of which are used for carrying out the Business.

**Due Date**

Due date shall have the meaning as set out in *Section 4.1.2* of this Process Letter.

**Eligibility Criteria**

The eligibility criteria set out in *Section 3.3* of this Process Letter for the evaluation of the EOIs.

**EOI or Expression of Interest**

The expression of interest submitted by the Bidder in response to this Process Letter for the Pre-Qualification stage.

**EOI Process**

EOI Process shall have the meaning as set out in *Section 2* of this Process Letter.

**Final Proposal**

Final Proposal means the detailed unconditional and comprehensive binding proposal submitted by a Pre-Qualified Bidder in response to the Final Selection Notice.

**Final Selection Notice**

The notice to be issued to the Pre-Qualified Bidders as per *Section 2.2.1(a)* of this Process Letter, seeking their Final Proposals.

**Leader**

The Leader shall be the Bidding Company or the Bidding Person or, in case of a Bidding Consortium, a Member Company or Member Person that has been declared as such in the Bidding Consortium and shall be subject to, and bound by, the obligations under this Process Letter .

**Lenders**

State Bank of India, Axis Bank, Phoenix ARC Private Limited (in its capacity as trustee of "Phoenix Trust FY14-3"), ICICI Bank, IDBI Bank Limited, Punjab National Bank, Andhra Bank, Central Bank of India, State Bank of Mysore, the Federal Bank Limited, the Jammu and Kashmir Bank Limited, Life Insurance Corporation of India, Bank of India and will deem to mean and include any acquirers or assigns, should any of the Lenders mentioned herein sell / assign or have sold / assigned their loan interest in the Company, in part or whole, to another third party.

**Member Company**

Each corporate entity in the Bidding Consortium shall be referred to as a Member Company of that Bidding Consortium.

**Member Person**

Each individual or sole proprietorship in the Bidding Consortium shall be referred to as a

Member Person of that Bidding Consortium.

### **MOU**

The memorandum of understanding to be executed between the Member Companies and / or Member Person of a Bidding Consortium as per the principles specified in *Exhibit 3*.

### **Option Holder**

Option Holder shall have the meaning as set out in *Section 2.2.5* of this Process Letter.

### **Person**

Person(s) means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, limited liability partnership, joint venture, government authority or trust or any other entity or organization.

### **Pre-Qualified Bidders**

Pre-Qualified Bidders shall have the meaning as set out in *Section 2.1.4* of this Process Letter.

### **Process Letter**

This document, being issued to the prospective Bidders, *inter alia*, which states the process being followed for the EOI Process.

### **Promoter**

Ms. Meeta Garg, Ms. Sheetla Devi Garg, Mr. Ramesh Chand Garg, Mr. Ashwani Garg and Mr. Saurabh Garg.

### **Promoter Group**

Includes Affiliates and / or 'relatives' (as defined under the Companies Act, 1956) of the Promoters.

### **Rupees**

The official currency of the Republic of India.

### **Selected Bidder**

Selected Bidder shall either be the Successful Bidder or such Option Holder who has successfully exercised the Option.

### **Successful Bidder**

Successful Bidder shall mean the Pre-Qualified Bidder whose Final Proposal has been selected as per the evaluation criteria set out in the Final Selection Notice and who has been declared as the Successful Bidder.

### **Transaction**

Transaction means the possible reorganization / restructuring of the Business or Division(s) of the Company.

### **Transaction Documents**

Transaction Documents shall mean the agreed form of the documents / agreements to be entered into with the Successful Bidder, for consummation of the Transaction.



## 1. Introduction and Background

### 1.1 Introduction

The Company is an established edible oil player in India with one of the largest capacities of edible oil processing and has

- a. One of the largest crushing capacities of mustard in India with significant presence in the refined oil market (soyabean / palm);
- b. Integrated manufacturing facilities, located at strategic raw materials and consumer belts in India viz. Madhya Pradesh, Rajasthan and West Bengal;
- c. The company used to market its products through its distribution network in North, East and Central India with brands like Kalash, Double Sher, etc.

The possibility of the reorganization / restructuring of the Business of the Company in part (i.e. one or more Divisions) or whole (all the Divisions) possibly along with the Brand(s) is presently being explored. This presents itself as ideal opportunity for (a) a strategic player in the edible oil business to strategically enhance their footprint, on the basis of its strong processing capabilities; and / or (b) a financial investor to invest into an established edible oil business.

Please refer to the information memorandum for further details.

### 1.2 Commitment to a fair and transparent process

- 1.2.1 The Lenders have been authorized by the board of directors of the Company to explore the possibility of the reorganization / restructuring of the Indian edible oil business of the Company in part or whole, for and on behalf of the Company.
- 1.2.2 The Lenders are keen to ensure that the process undertaken on behalf of the Company, leading to the shortlisting of Pre-Qualified Bidders is fair, transparent, efficient, interactive, and protects the confidentiality of the information shared by Bidders with it.
- 1.2.3 The selection process has been designed keeping these objectives in mind, and the Lenders shall take all steps to ensure that the above objectives are realised.
- 1.2.4 The Lenders, on behalf of the Company, have appointed PricewaterhouseCoopers Private Limited (“**PwC**”) as the Lead Financial and Tax Advisor, SBI Capital Markets Limited (“**SBICAP**”) as the Senior Transaction Advisors and Amarchand & Mangaldas & Suresh A. Shroff & Co. as the legal advisors on an independent basis.

## 2. Description of the Selection Process

The selection process for deciding the Successful Bidder (“**Bid Process**”) would consist of the following two stages:

- (A) **First Stage**: Pre-Qualification of Bidders; and
- (B) **Second Stage**: Selection of Successful Bidder.

The process for First Stage (“**EOI Process**”) has been described below in detail.

The process to be followed for the second stage, i.e. Selection of Successful Bidder, shall be specified in writing (“**Final Selection Notice**”) to the Pre-Qualified Bidders after the completion of the first stage and before the commencement of the second stage.

### 2.1 EOI Process and Pre-Qualification of Bidders

- 2.1.1 As a part of the first stage, the Lenders have issued this Process Letter, inviting prospective Bidders to submit their EOIs.
- 2.1.2 The shareholders of the Company have been approached to approve the reorganisation / restructuring of the Business, in accordance with the provisions of the Companies Act, 1956 and the articles of association of the Company.
- 2.1.3 After receipt of the shareholders approval as per Section 2.1.2 above, the EOIs submitted by interested parties in response to this Process Letter, shall (i) firstly, be subjected to the responsiveness check set out in *Section 3.2* of this Process Letter; and (ii) secondly, the responsive EOIs shall then be evaluated based on the Eligibility Criteria as detailed in *Section 3*. The information required to be provided by the Bidders submitting their EOIs is outlined in *Section 4.5*.
- 2.1.4 The Bidders who meet the Eligibility Criteria will qualify as Pre-Qualified Bidders, and shall be intimated. The indicative business value for each Division of interest submitted in the EOI will not form part of the Eligibility Criteria. The bid price submitted as part of Final Proposal will form the basis for selection of Successful Bidder.
- 2.1.5 The EOIs of the Pre-Qualified Bidders along with structuring proposal (including tax structures) as suggested by Advisors shall then be taken to the Monitoring Committee of Lenders / joint meeting of the Lenders (“**MCL**”) for approval and finalization of the structuring proposal for the reorganization / restructuring of Business.
- 2.1.6 After receipt of the shareholders approval as per Section 2.1.2 above and the completion of the process set out in 2.1.3, 2.1.4 and 2.1.5 above, the process for selection of Successful Bidder (as per the structure approved by the MCL) shall be initiated by the issuance of the Final Selection Notice to the Pre-Qualified Bidders for bidding for the Second Stage.

### 2.2 Option available to the Shareholders

2.2.1 It is clarified that all the Shareholders of the Company, subject to their compliance of *Sections 3 and 4* of this Process Letter and subject to the shareholders approval under Section 2.1.2, are entitled to participate in the EOI Process and submit EOIs as Bidder(s), provided that, notwithstanding anything contained herein to the contrary, the Promoter and / or the Promoter Group, whether directly or indirectly, or in collaboration with any other Person representing himself as a Bidder shall not be eligible to participate in this EOI Process.

The Option Holders shall be provided with an option (“**Option**”) to, within the Option Exercise Period, match the Final Proposals submitted by the Successful Bidders.

2.2.2 In the event, two or more Option Holders have successfully exercised the Option (each of such Option Holders being referred to as “**Capable Option Holder**”), the Capable Option Holders shall then be required to submit their respective final bids, which shall not in any way be inferior / less favourable to the Lenders and Company than the Final Proposal of the Successful Bidder. The Capable Option Holder quoting the most favourable bid to the Lenders and Company shall then be declared as the Selected Bidder by way of issuance of a letter of award. The decision of the Lenders shall be final in this regard. Further details shall be provided in the Final Selection Notice.

2.2.3 In the event, none of the Option Holders have exercised the Option within the Option Exercise Period, the Successful Bidder shall then be declared as the Selected Bidder by way of issuance of a letter of award. The decision of the Lenders shall be final in this regard.

2.2.4 However, in the event, Option Holder(s) have successfully exercised the Option, then the Option Holder or the Capable Option Holder (as per *Section 2.2.3* above), as the case may be, shall then be declared as the Selected Bidder by way of issuance of a letter of award. The decision of the Lenders shall be final in this regard.

2.2.5 “**Option Holders**” shall mean:

(a) such Record Date Shareholder(s) who have:

- (i) participated individually in this EOI Process;
- (ii) submitted valid EOI as per this Process Letter;
- (iii) been shortlisted as Pre-Qualified Bidder as per this Process Letter; and
- (iv) successfully submitted valid Final Proposal as per the Final Selection Notice;

or

(b) such Bidding Consortium(s) of Record Date Shareholders (comprising of only Record Date Shareholders as members of such Bidding Consortiums) who have:

- (i) participated as a Bidding Consortium (comprising of only Record Date Shareholders as members of such Bidding Consortiums) in this EOI Process;

- (ii) submitted valid EOI as per this Process Letter;
- (iii) been shortlisted as Pre-Qualified as per this Process Letter; and
- (iv) successfully submitted valid Final Proposal as per the Final Selection Notice.

**“Record Date Shareholders”** shall be such Persons (except the Promoter or the Promoter Group holding Shares of the Company directly or indirectly) who: (i) were the Shareholders of the Company as of the Record Date; and (ii) who continue to be the Shareholders of the Company at the time of exercise of Option.

**“Record Date”** shall be 31<sup>st</sup> December, 2012.

**“Option Exercise Period”** shall be a period of time not less than 14 (fourteen) working days (as stipulated in the Final Selection Notice) provided to the Option Holder(s) for exercise of the Option.

- 2.2.6 In the event there are no Option Holder(s) at the end of either the First Stage or in the event that none of the Option Holder(s) have submitted a Final Proposal as per the Final Selection Notice, then the Option shall cease to exist and the Successful Bidder shall be declared as the Selected Bidder by way of issuance of a letter of award without being required to follow the steps set out in Section 2.2.2, 2.2.3 or 2.2.4 or providing for the Option Exercise Period. The decision of the Lenders shall be final in this regard.

### 3. **Pre-Qualification Process**

#### 3.1 **The Objective of the Pre-Qualification of Bidders**

The objective of the Pre-Qualification process is to shortlist Bidders who have the *financial strength* to consummate the Transaction.

#### 3.2 **Responsiveness Check**

3.2.1 The EOIs submitted by the Bidder will be initially scrutinized to establish “Responsiveness”. Non-responsive bids shall be liable to be rejected. The decision of the Lenders shall be final in this regard. The following conditions shall cause the EOIs to be deemed “Non-responsive”:

- a. EOIs not received by the Due Date.
- b. Information not submitted or the EOIs are not organized, in the manner provided, under *Section 4* including but not limited to *Section 4.5*.
- c. EOIs not signed by Authorized Signatory and / or sealed in the manner and to the extent indicated in this Process Letter.
- d. EOIs not including the covering letter.
- e. EOIs which do not contain the indicative business value of each Division (with or without Brand valuation) of interest in the format set out in Exhibit 7.
- f. EOIs which do not contain a clarification as to the subject matter of the EOI for which the same has been submitted, i.e. Division of interest along with or without the Brand.
- g. EOIs submitted by a Bidding Consortium which do not contain the MOU, the Power of Attorney in favour of the Leader (as per the *Exhibit 4B*) and the Power of Attorney / Board Resolution (as per *Exhibit 4A*) or EOIs submitted by a Bidding Company which do not contain the Power of Attorney / Board Resolution (as per *Exhibit 4A*).
- h. A Bidder will submit only one EOI, either individually or as a Member of a Bidding Consortium. A Bidder who submits, or participates in, more than one bid / EOI will cause all the EOIs in which the Bidder has participated to be disqualified.
- i. The Bidder is either the Promoter or Promoter Group or representing himself as a Bidder on behalf of the Promoter or Promoter Group.
- j. Bidder has defaulted on its secured loan obligations.

#### 3.3 **Eligibility Criteria**

3.3.1 The Bidder shall satisfy the following:

- Minimum total Net Worth of INR 3,000,000,000 (Rupees Three Billion) for a Bidder (and its Affiliate(s)) if the Bidder is a Bidding Company or Bidding Person, and, if the Bidder is a Bidding Consortium then the aggregate Net Worth of the group of corporate entities and / or Person(s) (and their Affiliate(s)) forming the Bidding Consortium;

**Provided that for Bidders engaged in investment/financial assets management business, the following eligibility criteria shall be applicable:**

Minimum asset of INR 10,000,000,000 (Rupees Ten Billion) being under the management of the Bidder (and its Affiliate(s)), if the Bidder is a Bidding Company or Bidding Person, and, if the Bidder is a Bidding Consortium then the total asset under management of the group of corporate entities and / or Person(s) (and their Affiliate(s)) forming the Bidding Consortium;

Net Worth as per the audited financial statements for the financial year ended not earlier than December 31, 2012 or certification of networth for the financial year ended March 31, 2013 by a recognised accounting firm = Equity Share Capital + Preference Share Capital (provided period to redemption is over 5 years) + Share Premium + Reserves (excluding revaluation reserves) less debit balance in the Profit & Loss Account less Miscellaneous expenses not written off.

In case the Bidder is an individual or sole proprietorship, a certificate of net worth along with a detailed computation as at March 31, 2013 from a recognized accounting firm should be submitted. Net Worth would be defined as total value of assets less all liabilities. In computation of value of assets, book value will be considered. In case of persons resident in India, the said certificate needs to be duly notarized, and, in case of persons not resident in India, the said certificate needs to be duly consularized.

Additionally, while taking the Net Worth of the Affiliate into consideration, double counting (at the level of either the Bidder or the Affiliate) is to be avoided and shall not be taken for consideration.

In case of asset under management, [a certificate of asset under management along with a detailed computation as at March 31, 2013 or for the financial year ended not earlier than December 31, 2012 from a recognized accounting firm] should be submitted, along with audited financial statements on the basis of which the computation of asset under management has been made. In case of persons resident in India, the said certificate needs to be duly notarized, and, in case of persons not resident in India, the said certificate needs to be duly consularized.

Additionally, while taking the assets under management of the Affiliate into consideration, double counting (at the level of either the Bidder or the Affiliate) is to be avoided and shall not be taken for consideration.

- 3.3.2 No liquidation, court receivership, bankruptcy or other similar proceedings against the Bidder should have been initiated or be in progress.

3.4 Guidelines for Submission of EOI

#### 3.4.1 *Preparation & Submission of EOIs*

The Bidder shall bear all costs associated with the preparation and submission of its EOI, participating in discussions etc. including the costs and expenses related with visits to the site(s). The Company, Lenders and / or their Advisors will in no case be responsible or liable for these costs regardless of the outcome of the Pre-Qualification process.

#### 3.4.2 *Language of EOIs*

The EOI prepared by the Bidder, all correspondence and documents relating to the Pre-qualification exchanged by the Bidder and the Lenders, shall be written in the English language. Any printed literature furnished by the Bidder may be written in another language, provided that this literature is accompanied by an authenticated English translation, in which case, for purpose of interpretation of the EOI, the English translation shall govern.

#### 3.4.3 *Bidder / Bidding Consortiums*

In case of Bidding Consortium, an MOU (as per the principles set out in Exhibit 4) between the Member Company(ies) and / or Member Person(s) which identifies the Leader should be submitted. For a Bidding Consortium, the EOI should contain signed letter(s) (as per the format set out in *Exhibit 2*) submitted by each of the Member Company(ies) and / or Member Person(s) stating that the entire EOI has been examined and each key element of the EOI is agreed to.

#### 3.5 Evaluation of EOIs

Bidders meeting Eligibility Criteria as specified in *Section 3.3* of this Process Letter would be the Pre-Qualified Bidders and shall be notified in writing. The decision of the Lenders shall be final in this regard. The Pre-qualified Bidders shall be invited to participate in the Second Stage of the Bid Process (Final Proposal).

4. **Procedures to be followed**

4.1 **Submission of EOIs**

- 4.1.1 The EOIs, *one original and two copies*, organised in a manner as specified in *Section 4.5*, should be packed in a sealed envelope or a box, with the following inscription:

**Expression of Interest**

**Possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils**

**Name of the Bidder:** \_\_\_\_\_

**To**

**Rajesh Vig**

*Executive Director, Corporate Finance & Investment Banking (CF&IB)*

PricewaterhouseCoopers Private Limited

252, Veer Savarkar Marg, Shivaji Park,

Dadar, Mumbai 400 028

Tel: +91 22 6669 1577

Mobile: +91 99204 33831

Email: [rajesh.vig@in.pwc.com](mailto:rajesh.vig@in.pwc.com)

or

**Sanjeev Kumar Agarwal**

*Senior Vice President, Project Advisory & Structured Finance*

SBI Capital Markets Limited

6<sup>th</sup> Floor, World Trade Tower, Barakhamba Lane,

New Delhi – 110001

Tel: +91 11 2341 6293

If the envelope is not sealed and not marked as per the requirement under this Process Letter, the Lenders will assume no responsibility for the misplacement or premature opening of the EOI.

- 4.1.2 The Bidder has the option of sending his EOI by registered post or submitting the EOI in person to any of the above-mentioned persons (*Section 4.1.1*) so as to reach the designated address by 5:00 PM on 21<sup>st</sup> November, 2013 (“**Due Date**”). The Lenders or their Advisors shall not be responsible for any delay in receipt of the EOIs. Any EOIs received after the deadline for submission of the EOIs as stipulated above, shall not be opened and shall be summarily rejected. The decision of the Lenders shall be final in this regard. Each page of the EOI (in addition to the requirement of the signature by the Authorized Signatory at relevant places as per prescribed formats) should also be initialled by the Authorised Signatory (as defined in *Section 4.3*), of the Bidding Company / Bidding Consortium or by the Bidding Person.
- 4.1.3 The Lenders may, in their sole and absolute discretion, extend the Due Date for submission of EOIs by issuing an addendum, which shall apply uniformly for all Bidders in which case all rights and obligations of Lenders and the applicants previously subject to the original deadline will thereafter be subject to the extended

deadline.

#### 4.2 Opening of EOIs

The EOIs would be opened on 25<sup>th</sup> November, 2013, at State Bank of India, CAG , New Delhi at 10:00 AM in the presence of the Bidders present at the venue at such date and time.

#### 4.3 Instructions to Bidders

##### 4.3.1 The following may please be noted:

- a. The EOIs that are incomplete in any respect; are not consistent with the requirements as specified in this Process Letter may be considered non-responsive.
- b. Strict adherence to formats / exhibits, wherever specified, is required. Non-adherence to formats may be a ground for declaring the EOI non-responsive.
- c. All communication and information should be provided in writing and in the English language only.
- d. All the communication and information provided should be legible, and wherever the information is given in figures, the same should also be mentioned in words.
- e. No change in, or supplementary information to, the EOI shall be accepted after its submission. However, the Lenders reserve the right to seek additional information from the Bidders, if found necessary, during the course of evaluation of the EOIs. Non-submission, incomplete submission or delayed submission of such additional information or clarifications sought by Lenders, may be a ground for rejecting the EOI.
- f. The EOIs shall be evaluated as per the Eligibility Criteria as specified in the *Section 3* of this Process Letter.
- g. For a Bidding Consortium, the EOI submitted by the Bidding Consortium should contain signed letters submitted by each of the Member Companies, stating that the entire EOI set out in the EOI has been examined and each key element of the EOI is agreed to, as specified in *Exhibit 2*.
- h. For a Bidding Consortium, no change in the membership of the consortium or in responsibilities of any Member Company being evaluated for eligibility as per eligibility criteria in *Section 3* shall be allowed after submission of the EOI. For a Bidding Consortium who is Pre-Qualified, if such a change in membership pattern or responsibilities is desired, it must be communicated to the Lenders in writing for their approval. The Lenders reserve the right to reject such a request for change in the consortium structure. The decision of the Lenders shall be final in this regard. However, the Leader, in case Bidding

Consortium, shall not be allowed to change. If Affiliates of a Bidder are counted towards the calculation of Net Worth / asset under management, then such Affiliate (in relation to the Successful Bidder / Pre-Qualified Bidder) should continue to be the Affiliate of such Bidder until the completion / consummation of the Transaction under the Transaction Documents.

- i. The Bidder should designate one person (“**Contact Person**” or “**Authorised Signatory**”) to represent the Bidder in his / their dealings with the Lenders for the Transaction / process under the Process Letter. This designated person should be authorised to perform all tasks including, but not limited to providing information, responding to enquiries, entering into contractual commitments on behalf of the Bidder, etc., as per the format specified in *Exhibit 1 and Exhibit 4*.
- j. If any claim made, or information provided, by the Bidder in the EOI or any information provided by the Bidder in response to any subsequent query of the Lenders, is found to be incorrect or is a material misrepresentation of facts, then the EOI may be liable for rejection at any stage at the discretion of the Lenders.
- k. The Bidder shall be responsible for all the costs associated with the preparation of the EOI. The Company, the Lenders and / or their Advisors shall not be responsible in any way for such costs, regardless of the conduct or outcome of this process.
- l. Notwithstanding anything contained in this Process Letter or any other documents issued hereunder, the Lenders reserve the right, at any time, to cancel or withdraw the Pre-Qualification Process under this Process Letter and reject all EOIs, call for fresh EOIs or restart the Pre-Qualification Process, at any time, without any liability or any obligation for such acceptance, rejection or annulment, without assigning any reasons therefor. In the event that the Lenders reject/annul all the Bidders, the Lenders may, at their sole, absolute and unfettered discretion, invite all Bidders to submit fresh EOIs for Qualification hereunder.
- m. The Lenders reserve the right to disqualify / reject any Bidder / EOI / Final Proposal at any stage, if:
  - i. at any time, a material misrepresentation is made or uncovered, or
  - ii. the Bidder does not provide, within the time specified by the Lenders, the supplemental information sought by the Lenders for evaluation of the EOI / Final Proposal.
  - iii. It is clarified that, in case the Bidder is a Bidding Consortium, even if one member of the Bidding Consortium is disqualified under the provisions of (i) or (ii) hereinabove or provisions of the Process Letter, then the entire Bidding Consortium i.e. all the Members of Consortium shall stand disqualified.

- n. In the event such disqualification / rejection occurs after the selection of the Successful Bidder and the Successful Bidder gets disqualified / rejected, then the Lenders reserve the right to:
  - i. invite the remaining Pre-Qualified Bidders to match the Final Proposal made by the Successful Bidder or re-submit their Final Proposals; or
  - ii. take any such measures as may be deemed fit in the sole, absolute and exclusive discretion of Lenders, including annulment of the process under this Process Letter or the Transaction; or
  - iii. in the event the execution of the Transaction Documents has already taken place, and it is found that the Successful Bidder had made any material misrepresentation or had given any materially incorrect or false information, then notwithstanding anything to the contrary contained in the Transaction Documents or in this Process Letter, the same shall be liable to be terminated, by a written communication addressed by the Lenders to the Successful Bidder, without the Lenders being liable in any manner whatsoever to the Successful Bidder and without prejudice to any other right or remedy which the Lenders may have under this Process Letter, the Final Proposal, the Transaction Documents or under applicable law.
- o. The Lenders reserve the right to verify all statements, information and documents submitted by the Bidders in response to the Process Letter. Any such verification or lack of such verification by the Lenders shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of Lenders thereunder and shall not be construed as a waiver by the Lenders of any of their rights and/or discretions hereunder or in law.
- p. Mere submission of information does not entitle the Bidder to meet an eligibility criterion. The Lenders reserve the right to vet and verify any or all information submitted by the Bidder. The decision of the Lenders shall be final in this regard.
- q. The Lenders reserve the right to change, modify, add to or alter the bidding process. Any change in the bidding process shall be intimated to all the affected parties at least seven (7) days before the date prescribed for submitting the EOI and such change / modification / addition or alteration shall be final and binding on all the Bidders.
- r. All documents and other information supplied by Lenders or submitted by a Bidder to the Lenders shall remain or become the property of the Lenders. The Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their EOIs and / or Final Proposals. The Lenders will not return any EOI or Final Proposals or any information provided along therewith.
- s. In case of an EOI or Final Proposal being submitted by a Bidding Consortium, the Leader of the Consortium shall be the single point of contact for the purposes of the Pre-Qualification Process and the Selection of the Successful Bidder. Any dispute amongst the members of the Bidding Consortium

(including the Leader) shall not be the responsibility of the Lenders and no financial or any other burden or obligation or liability shall pass on to the Company or the Lenders or their Advisors on this account.

- t. All matters relating to the Process Letter shall be governed by the law of India. Only Courts at New Delhi (with exclusion of all other Courts) shall have the jurisdiction to decide or adjudicate on any matter, which may arise.
- u. The Bidder shall be responsible for and exclusively bear all indirect taxes (including stamp duty, registration fees and transfer charges) arising out of or in connection with the Transaction and / or Transaction Documents.

#### 4.4 Enquiries

- 4.4.1 Clarifications, if any, can be sought by sending an email, on or before 5:00 PM, 23<sup>rd</sup> October, 2013 to:

[project.food@in.pwc.com](mailto:project.food@in.pwc.com) (Attention: Rajesh Vig)

or

[project.food@sbcaps.com](mailto:project.food@sbcaps.com) (Attention: Sanjeev Kumar Agarwal)

- 4.4.2 No clarification shall be provided for the clarifications sought after the above date.
- 4.4.3 The Lenders or the Advisors reserve the right not to respond to queries or defer answering any queries, at their sole discretion. Nothing in this Section shall be taken or read as compelling or requiring the Lenders or the Advisors to respond to queries. It is further clarified that no extension of any deadline referred to in this Process Letter will be granted on the basis or on the ground that the Lenders or the Advisors have not responded to any queries or has responded late in this regard.
- 4.4.4 The response to queries along with the queries itself shall be sent in writing to all the Bidders without disclosing the source of such queries. No extension of any deadline referred to in this Process Letter will be granted on the basis or ground that the Lenders or the Advisors have not responded or partly responded to queries.

#### 4.5 Format of the EOIs

- 4.5.1 The EOIs shall be submitted as *one original and two copies*. The envelope containing the original shall be clearly marked “ORIGINAL” and the envelope containing each copy shall be marked “COPY”. The 3 envelopes would be enclosed in a single sealed envelope or a box, with the following inscription:

**Expression of Interest**

**Possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils**

**Name of the Bidder:** \_\_\_\_\_

- 4.5.2 The EOI shall be organised in the manner specified below:

<b>Section 1</b>	<ul style="list-style-type: none"> <li>a) Covering Letter as per the format specified in <i>Exhibit 1</i>.</li> <li>b) Confidentiality Agreement, as per the format specified in <i>Exhibit 5</i>, from the Bidder or all the Member Companies and / or Member Persons of the Bidding Consortium.</li> </ul>
<b>Section 2</b>	<ul style="list-style-type: none"> <li>a) Description of the Bidder.</li> <li>b) MOU between the Member Companies and / or Member Persons, incorporating the principles as specified in <i>Exhibit 3</i> (for Bidding Consortium as Bidder) and duly executed power of attorney in favour of the Leader, as per the format specified in <i>Exhibit 4B</i>.</li> <li>c) Duly executed power of attorney / board resolution, as per the format specified in <i>Exhibit 4A</i>.</li> </ul>
<b>Section 3</b>	<p>Letters of Acceptance, as per the format specified in <i>Exhibit 2</i>, from all the Member Companies and / or Member Persons of a Bidding Consortium.</p>
<b>Section 4</b>	<p>Consideration for Pre-Qualification - Documents supporting the Eligibility Criteria as specified in <i>Section 3.3.1</i>.</p> <ul style="list-style-type: none"> <li>a) A graphic description of the direct / indirect voting shareholding of respective corporate entities which are desired to be considered for evaluation of the EOIs.</li> <li>b) Any other document the Bidder wishes to submit to support his business activities.</li> <li>c) A representation by the Bidder that “there are no court receivership or liquidation proceeding pending or to the Bidder’s knowledge, threatened against or affecting the Bidder before any court or administrative body”.</li> </ul>
<b>Section 5</b>	<ul style="list-style-type: none"> <li>a) Indicative business value: a preliminary indication of the business value in Indian Rupees (“<b>INR</b>”) that the Bidder is prepared to offer to acquire for each Division of interest, (with or without the Brand, as the case may be), on a cash and debt free basis and assuming zero working capital (if the Bidder specifies a range, the bottom end of that range will be considered as representing the bid), in the format set out in Exhibit 7.</li> </ul> <p>Additionally, if a Bidder proposes to buy one or more Brand, then the Bidder shall also provide preliminary indication of the value ascribed to the Brand in INR.</p> <p>For the purpose of the bid, please assume that no residual current asset or current liability will be transferred along with each of the Division, as applicable.</p> <p>None of the existing loans would be transferred along with the business.</p> <ul style="list-style-type: none"> <li>b) Group profile and experience: Background Information about the Bidder’s Group.</li> <li>c) Advisors: The identity of the financial, accounting, legal and</li> </ul>

	any other advisers or consultants that have been engaged (or proposed to be engaged) by the Bidder to assist it in the evaluation of the Transaction and the Bid Process.
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## 5. Schedule of the Bid Process

The Lenders shall endeavour to adhere to the following schedule:

<b>Date</b>	<b>Event</b>
<b><i>First Stage: Pre-Qualification of Bidders</i></b>	
Day X (19 <sup>th</sup> August, 2013)	Issue of the Process Letter
Day X + [45 Days]	Obtaining approval from the shareholders by Postal Ballot.
Day X + [65 Days]	Submission of written clarifications / amendments, if any, on the Process Letter so as to reach the Lenders by 5:00 PM, 23 <sup>rd</sup> October, 2013
Day X + [84 Days]	Response to queries / amendments to the Process Letter, 11 <sup>th</sup> November, 2013.
Day X + [94 Days]	Due Date for submission of EOIs, 21 <sup>st</sup> November, 2013
Day X + [98 Days]	Announcement of Pre-Qualified Bidders, 25 <sup>th</sup> November, 2013
Day X + [104 Days]	Approval from the MCL, 1 <sup>st</sup> December, 2013
Day X + [107 Days]	Issuance of Final Selection Notice, 4 <sup>th</sup> December, 2013
<b><i>Second Stage: Selection of Successful Bidder</i></b> <i>(To be provided in the Final Selection Notice)</i>	

**Exhibit 1: Format of Covering Letter**

*(The Covering Letter is to be submitted by the Bidding Company, Bidding Person or the Leader of a Bidding Consortium, along with the EOI for Pre-qualification)*

Date:

Place:

[•]

Dear Sir,

**Sub: Possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils**

Please find enclosed one (1) original + two (2) copies of our *Expression of Interest* in respect of the possible **reorganization / restructuring** of Edible Oil Business / Division(s) of K.S. Oils (“**Transaction**”), in response to the *Process Letter* issued by PricewaterhouseCoopers Private Limited (“PwC”) / SBI Capital Markets (“SBICAP”) on \_\_\_\_\_, 2013 (“**Process Letter**”).

We hereby confirm the following:

1. The *Expression of Interest* is being submitted by \_\_\_\_\_ (*name of the Bidding Company / Bidding Person*) who is the Bidding Company / Bidding Person / the Leader of the Bidding Consortium comprising \_\_\_\_\_ (*mention the names of corporate entities who are the Member Companies / Member Persons*), in accordance with the conditions stipulated in the Process Letter.
2. We \_\_\_\_\_ (*name of the Bidding Company / Bidding Person*), as the Bidding Company / Bidding Person / the Leader, would be responsible for completion and performance of the Transaction.
3. We have examined in detail and have understood, and abide by, all the terms and conditions stipulated in the Process Letter and in any subsequent communication / amendment as uploaded on the website of the Company. Our *Expression of Interest* is consistent with all the requirements of submission as stated in the Process Letter or in any of the subsequent communications / amendments as uploaded on the website of the Company.
4. [We desire / do not desire to get credited for the financial strength of our Affiliate(s), and/or experience & track record of our Affiliate(s). Our *Expression of Interest* includes (*only if desired to be credited for Affiliate(s) strengths*) the Letter(s) of Commitment in the format specified in Process Letter, from \_\_\_\_\_ (*mention name of the corporate entities that are Affiliate(s)*), who is/are the Affiliate(s) as per the conditions stipulated in the Process Letter, of \_\_\_\_\_ (*mention name(s) of the Bidding Company / Bidding Person / respective Member Companies*). If such Affiliate(s) are counted towards the calculation of Net Worth / asset under management, then such Affiliate(s) will continue to be the Affiliate of such Bidder until the completion / consummation of the Transaction under the Transaction Documents.]
5. (*Required only in case of a Bidding Consortium*) Our *Expression of Interest* includes Letters of Acceptance, consistent with the format as specified in the Process Letter, from all the Member Companies / Member Persons.
6. The information submitted in our *Expression of Interest* is complete, is strictly as per the requirements as stipulated in the Process Letter, and is correct to the best of our knowledge and understanding. We would be solely responsible for any errors or omissions in our *Expression of Interest*.
7. The Bidding Company / Bidding Person / Bidding Consortium of which we are the Leader, satisfies the legal requirements and meets all the eligibility criteria laid down in the Process Letter.
8. We as the Bidding Company, designate Mr. / Ms. . \_\_\_\_\_

\_\_\_\_(*mention name, designation, contact address, phone no., fax no., etc.*), as our Authorised Signatory and Contact Person who is authorised to perform all tasks including, but not limited to providing information, responding to enquiries, entering into contractual commitments on behalf of the Bidder, etc., in respect of the Transaction.

OR

(in case of a Bidding Person)

I, Mr. / Ms. \_\_\_\_\_(*mention name, contact address, phone no., fax no., etc.*), shall be the Authorised Signatory and Contact Person who is authorised to perform all tasks including, but not limited to providing information, responding to enquiries, entering into contractual commitments on behalf of the Bidder, etc., in respect of the Transaction.

For and on behalf of	:	
Signature	:	(Authorised Signatory)
Name of the Person	:	
Designation	:	

**Exhibit 2: Format of Letter of Acceptance**

*(The Letters of Acceptance are to be submitted by each of the Member Companies / Member Persons of the Bidding Consortium)*

Date:  
Place:

[•]

Dear Sir,

**Sub: Possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils**

This has reference to the *Expression of Interest* being submitted by \_\_\_\_\_ (*name of the Leader in case of a Bidding Consortium*), in respect of the possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils (“**Transaction**”), in response to the *Process Letter* issued by PricewaterhouseCoopers Private Limited (“PwC”) / SBI Capital Markets (“SBICAP”) on \_\_\_\_\_, 2013 (“**Process Letter**”).

We hereby confirm the following:

1. We \_\_\_\_\_ (*name of the Member Company / Member Person furnishing the Letter of Acceptance*), have examined in detail and have understood and satisfied ourselves regarding the contents mainly in respect of the following:
  - The Process Letter;
  - All subsequent communications between [PwC and SBICAP] and the (*name of the Bidding Company or the Bidding Person or the Leader in case of a Bidding Consortium*), represented by [insert name of authorised person] ;
  - The MoU signed between / among \_\_\_\_\_ (*names of the Member Companies / Member Persons*), as members of the Bidding Consortium; and
  - The *Expression of Interest* being submitted by \_\_\_\_\_ (*name of the Leader*).
2. We have satisfied ourselves regarding our role as \_\_\_\_\_ (*here give a brief description of the role*) in the Transaction as specified in the *Expression of Interest*. If the \_\_\_\_\_ (*name of the Bidding Consortium*) is awarded the Transaction we shall perform our role as outlined in the *Expression of Interest* to the best of our abilities. We have examined the *Expression of Interest* in detail, and shall abide by the commitments made in the same.
3. We authorise \_\_\_\_\_ (*name of the Leader*), as the Leader and authorise the same to perform all tasks including, but not limited to providing information, responding to enquiries, entering into contractual commitments on behalf of the consortium, etc., in respect of this Transaction.
4. We therefore request \_\_\_\_\_ to consider our \_\_\_\_\_ as specified in the *Expression of Interest* pursuant to the conditions specified in the Process Letter, for the purposes of evaluation of the *Expression of Interest*.

For and on behalf of :  
Signature :

(Authorised signatory of the Member Company)

Name of the Person :  
Designation :

**Exhibit 3: Principles of MOU to be executed between the Member Companies / Member Persons of a Bidding Consortium**

The principles based on which the Memorandum of Understanding (MoU) shall be executed between / among the Member Companies and / or Member Persons of a Bidding Consortium, are stated below:

1. The MoU should clearly specify the Leader.
2. The Leader shall be responsible for the execution and consummation of the Transaction for and on behalf of the Bidding Consortium.
3. The MoU should clearly specify the roles and responsibilities of each of the Member Companies / Member Persons.
4. The MoU shall also specify the joint and several responsibility / obligation / liability of each Member Company and / or Member Person.
5. The MoU should be duly signed by each of the Member Companies / Member Persons.
6. The MoU should be executed on an appropriate stamp paper.
7. The MoU should be specific to the Transaction.
8. The MoU should be valid for a minimum of \_\_\_\_\_ months from the scheduled last date for submission of the *Expression of Interest*. The validity period should be further extendible on the original terms, if requested by PwC / SBICAP .
9. MoU should allow Leader to interact with PwC/SBICAP and allow him to take all the necessary decisions required and bind each of the Member Companies and / or Member Persons to the decision of the Leader.

**Exhibit 4A: Format of Power of Attorney / Board Resolution**

PART I - POWER OF ATTORNEY FOR SIGNING OF APPLICATION FOR QUALIFICATION  
*(To be executed on Stamp paper of appropriate value)*

Know all men by these presents, we..... (name of the company / Leader and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr. / Ms. .... an Indian national, aged ..... years, son/daughter/wife of ....., holding Permanent Account Number (PAN) ..... and presently residing at ....., who is presently employed with us (in case of consortium, the Leader of our Consortium) and holding the position of ....., as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in the name and on behalf of [insert name of the Bidder / Leader (as the leader of the consortium)], all such acts, deeds matters and things as are necessary or required in connection with or incidental to submission of our Expression of Interest in respect of the possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils Limited ("Transaction"), in response to the Process Letter issued by PricewaterhouseCoopers Private Limited ("PwC") / SBI Capital Markets ("SBICAP") on \_\_\_\_\_, 2013 ("Process Letter"), including but not limited to signing and submission of Expression of Interest, bids, proposals pursuant to Final Selection Notice and other documents and writings, participate in meetings and other conferences and providing information/ responses to PwC / SBICAP, representing us in all matters before PwC / SBICAP, signing and execution of all contracts including the Transaction Documents (as defined in the Process Letter / Final Selection Notice) and undertakings consequent to acceptance of our Expression of Interest and bid / Final Proposal (as defined in the Process Letter), and generally dealing with PwC / SBICAP in all matters in connection with or relating to or arising out of our bid for the said Transaction and/ or upon award thereof to us and/or till entering into the Transaction Documents with K.S. Oils Limited and / or Lenders (as defined in the Process Letter).

AND We hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, ....., THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF ....., 2013

For .....  
(Signature)  
(Name, Title and Address)  
Witnesses:  
(Notarised)  
Accepted  
..... (Signature)  
(Name, Title and Address of the Attorney)

Notes:  
(i) 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.

- (ii) Wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.
- (iii) For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Applicants from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostile certificate.

**PART II – BOARD RESOLUTION FOR SIGNING OF APPLICATION FOR QUALIFICATION CERTIFIED EXTRACT OF THE RESOLUTION OF MEETING OF BOARD OF DIRECTORS**

**“RESOLVED THAT** the approval of the Board of Directors of the [insert name of the Bidder / Leader] (“Company”) be and is hereby accorded to the Company to submit the Expression of Interest in the name and on behalf of [insert name of the Bidder / Leader (as the leader of the consortium)] in respect of the possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils Limited (“Transaction”), in response to the Process Letter issued by PricewaterhouseCoopers Private Limited / SBI Capital Markets Limited on August 19, 2013 (“Process Letter”), including but not limited to submission of Expression of Interest, bids, proposals pursuant to the Finals Selection Notice and other documents and writings, participate in meetings and other conferences and providing information/ responses to PricewaterhouseCoopers Private Limited / SBI Capital Markets Limited, including but not limited to entering into all contracts including the Transaction Documents (as defined in the Process Letter / Final Selection Notice) and undertakings consequent to acceptance of the Expression of Interest and bid / Final Proposal (as defined in the Process Letter / Final Selection Notice).”

**“RESOLVED FURTHER THAT** Mr. / Ms. [insert] presently residing at [insert], holding passport bearing number [insert], and Mr. / Ms. [insert] presently residing at [insert], holding passport bearing number [insert], be and are hereby irrevocably severally authorized to do, in the name and on behalf of [insert name of the Bidder / Leader (as the leader of the consortium)], all such acts, deeds matters and things as are necessary or required in connection with or incidental to submission of the Expression of Interest in respect of the Transaction, in response to the Process Letter, including but not limited to signing and submission of Expression of Interest, bids, proposals pursuant to Final Selection Notice and other documents and writings, participate in meetings and other conferences and providing information/ responses to PricewaterhouseCoopers Private Limited / SBI Capital Markets Limited, representing us in all matters before PricewaterhouseCoopers Private Limited / SBI Capital Markets Limited, signing and execution of all contracts including the Transaction Documents (as defined in the Process Letter / Final Selection Notice) and undertakings consequent to acceptance of our Expression of Interest and bid / Final Proposal (as defined in the Process Letter/ Final Selection Notice), and generally dealing with PricewaterhouseCoopers Private Limited / SBI Capital Markets Limited in all matters in connection with or relating to or arising out of the bid for the said Transaction and/ or upon award thereof to the Company / Consortium and/or till entering into the Transaction Documents with K.S. Oils Limited and / or Lenders (as defined in the Process Letter).”

**[“RESOLVED FURTHER THAT** Mr. [●] and/or Mr. [●], Directors of the Company, be and are hereby, severally, authorized to carry the Common Seal out of the Registered Office of the Company, if need be, to such place(s) where the documents shall be executed, for the purpose of affixing the Common Seal on the requisite documents.”]\*

**[“RESOLVED FURTHER THAT** the Common Seal of the Company be affixed to all such documents as may be required, in the presence of any of the aforesaid persons, who shall counter sign the same in token of affixation thereof.” ]\*

**“RESOLVED FURTHER THAT** a copy of the foregoing resolution be furnished to whomsoever it may concern to act thereupon.”

\* to be incorporated only if required under the applicable law / charter documents of the bidding company.

For and on behalf of the board of directors of

[●]

**Director**

Notes:

- (i) The board resolution should have been passed in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the Bidding Company / Leader.
- (ii) The certified extract of the board resolution to be duly apostilled (in case of Hague Convention countries) or consularized / notarized, as the case may be, in terms of the applicable laws.

**Exhibit 4B: Format of Power of Attorney for Leader of Bidding Consortium**

POWER OF ATTORNEY FOR LEADER OF BIDDING CONSORTIUM  
(To be executed on Stamp paper of appropriate value)

KNOW ALL MEN BY THESE PRESENTS, We, ..... having our registered office at ..... M/s. .... having our registered office at ....., and ..... having our registered office at ....., (hereinafter collectively referred to as the “Principals”) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s ..... having its registered office at ..... or Mr. / Ms. .... an Indian national, aged ..... years, son/daughter/wife of ....., holding Permanent Account Number (PAN) ..... and presently residing at ....., being one of the Members of the Bidding Consortium (as defined in the Process Letter), as the Leader (as defined in the Process Letter) and true and lawful attorney of the Bidding Consortium (hereinafter referred to as the “Attorney”) in respect of the possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils (“Transaction”), and further to the Process Letter issued by PricewaterhouseCoopers Private Limited (“PwC”) / SBI Capital Markets (“SBICAP”) on \_\_\_\_\_, 2013 (“Process Letter”). We hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Bidding Consortium and any one of us during the Bidding Process and, in the event the Bidding Consortium is awarded the Transaction, during the consummation of the Transaction and in this regard, to do on our behalf and on behalf of the Bidding Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the qualification of the Bidding Consortium and submission of its Expression of Interest (as defined in the Process Letter) and subsequent Final Proposal (as defined in the Process Letter/ Final Selection Notice) for the Transaction, including but not limited to signing and submission of all Expression of Interest, Final Proposal pursuant to the Final Selection Notice, bids and other documents and writings, participate in bidders and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of Expression of Interest / Final Proposal or the bid of the Bidding Consortium and generally to represent the Bidding Consortium in all its dealings with \_\_\_\_\_ or any person, in all matters in connection with or relating to or arising out of the Bidding Consortium’s Expression of Interest and/ or upon award thereof till the Transaction Documents are entered into with K.S. Oils Limited and / or Lenders (as defined in the Process Letter).

AND hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things lawfully done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Bidding Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF .....2013

- For ..... (Signature) ..... (Name & Title)

Witnesses:  
.....  
(Executants)  
(To be executed by all the Members of the Consortium)

Notes:

- (i) 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 executants (s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.
- (ii) Wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Applicant.
- (iii) For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Applicants from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Apostle certificate.

**Exhibit 5: Format of Confidentiality Agreement**

**CONFIDENTIALITY AGREEMENT**

*(To be executed on Stamp paper of appropriate value)*

THIS AGREEMENT entered into at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2013

BETWEEN,

K.S. Oils Limited, a company incorporated under the Companies Act, 1956, having its Registered Office at Jiwajiganj, Morena - 476001 (MP) India and branch office at 806 New Delhi House Barakhamba Road, New Delhi 110001 (“**Disclosing Party**” or “**KSO**”) which expression shall unless it be repugnant to the subject or meaning thereof be deemed to include its successors, and permitted assigns of the One Part.

AND

\_\_\_\_\_, a company incorporated \_\_\_\_\_ and having its registered office at \_\_\_\_\_, (hereinafter referred to as “**Receiving Party**”), which expression shall unless it be repugnant to the subject or meaning thereof be deemed to include its successors, and permitted assigns of the Other Part.

[Note: Each of the Member Company/Member Person (in case of Bidding Consortium) will be required to execute this Agreement]

The Disclosing Party and the Receiving Party shall be collectively referred to as Parties and individually as Party.

WHEREAS

- A. K S Oils Limited (“**KSO**”) is engaged in the manufacture and trading of edible oils, de-oiled cakes and other related products. \_\_\_\_\_ is engaged in the manufacture and trading of \_\_\_\_\_.
- B. The Disclosing Party is exploring a potential business transaction with respect to the possible reorganization / restructuring of its Edible Oil Business / Division(s) (“**Transaction**”), and has agreed to disclose (by itself or through its advisors) to the Receiving Party, Confidential Information (as defined herein below) to enable the Receiving Party to assess the Transaction.
- C. The Disclosing Party has agreed to evaluate a business proposal from the Receiving Party in connection with the probability of entering into the Transaction (hereinafter referred to as the “**Business Proposal**”).
- D. For preparation of the Business Proposal, the Disclosing Party agrees that it will have to exchange information with the Receiving Party (hereinafter referred to as “**Confidential Information**”). The Receiving Party agrees to not to disclose the Confidential Information, save and except as set out in this Agreement hereunder:

NOW THEREFORE, the parties hereto, intending to be legally bound in consideration of the mutual covenants and agreements set forth herein, hereby agree as follows:

**1. CONFIDENTIAL INFORMATION**

"**Confidential Information**", for the purposes of this Agreement, shall mean all information relating to the business of KSO including its associates, affiliates, subsidiary and group

companies strategic and development plans, financial condition, business plans, data, business records, project records, market reports, employee lists and business manuals, policies and procedures, information relating to processes, technologies, intellectual property rights, and all other information regardless of whether the information is provided through any medium including written, oral, audio tapes, video tapes, computer discs, desktops, machines, prototypes, designs, specifications, articles of manufacture, drawings, human or machine readable documents etc, which may be disclosed by the Disclosing Party or to which the Receiving Party may be provided access by the Disclosing Party or others in accordance with this Agreement, or which is generated as a result of or in connection with the Business Proposal duly marked CONFIDENTIAL and if orally disclosed, converted into writing within 48 hours of oral disclosure.

## **2. NON-DISCLOSURE OBLIGATIONS**

The Receiving Party promises and agrees to receive and hold the Confidential Information in confidence. Without limiting the generality of the foregoing, the Receiving Party further promises and agrees:

- a. All Confidential Information, regardless of howsoever communicated, recorded or received in any form whatsoever is confidential and proprietary and will be kept as such;
- b. To protect and safeguard the Confidential Information against unauthorised use, publication or disclosure;
- c. Not to use any of the Confidential Information except for the Business Purposes;
- d. Not to, directly or indirectly, in any way, reveal, report, publish, disclose, transfer or otherwise use any of the Confidential Information except as specifically authorised by the Disclosing Party in accordance with this Confidentiality Agreement;
- e. To restrict access to the Confidential Information to those of its directors, officers, employees, or external legal and accounting advisors (collectively referred to herein as "Representatives"), provided however that the Receiving Party agrees to be responsible for any breach of this Agreement by any of its Representatives and that each such Representative (i) has a need to know such information for the purpose of assisting in evaluating, negotiating and concluding a Transaction and (ii) has agreed to maintain the confidentiality of the Confidential Information on the same terms as the Receiving Party;
- f. To advise each of the persons to whom it provides access to any of the Confidential Information, that such persons are strictly prohibited from making any use, publishing or otherwise disclosing to others, or permitting others to use for their benefit or to the detriment of the Disclosing Party, any of the Confidential Information, and it is specifically agreed that a Disclosing Party may as a condition precedent to the giving of such consent, require such other persons to agree in writing to be bound by this Agreement or a confidentiality agreement containing substantially similar terms upon request of Disclosing Party, to provide the Disclosing Party with a copy of a written agreement to that effect signed by such persons;

## **3. EXCEPTIONS**

Confidential Information shall not include any of the following:

- (a) such information which is in the public domain at the time of the disclosure, or which subsequently comes within the public domain without fault of Receiving Party;
- (b) such information which was in the possession of Receiving Party, at the time of disclosure that may be demonstrated by business records of Receiving Party and was not acquired, directly or indirectly, from Disclosing Party;
- (c) such information which Receiving Party, acquired after the time of disclosure from a

- third party who did not require Receiving Party to hold the same in confidence and who did not acquire such technical information from Disclosing Party;
- (d) such information as is independently developed by an employee or agent of Receiving Party, with no access to such confidential information.
  - (e) it is received from a third party having no obligations of confidentiality to Disclosing Party.
  - (f) if the Receiving Party or its representative is requested pursuant to, or required by, applicable law or regulation or by legal process to disclose any information, the Receiving Party or its representative agrees that it will provide the Disclosing Party with prompt notice of such request or requirement in order to enable the Disclosing Party to seek an appropriate protective order or other remedy. In the event that such protective order or other remedy is not obtained, the Receiving Party or its representative, as the case may be, shall disclose only the portion of the information, which, upon the advice of its counsel, is legally required to be disclosed. In any such event, the Receiving Party or its representative will use its commercially reasonable efforts to ensure that all information that is so disclosed will be accorded confidential treatment.

#### **4. INTELLECTUAL PROPERTY & RETURN OF CONFIDENTIAL INFORMATION**

All Confidential Information provided by the Disclosing Party shall remain the property of the Disclosing Party. The Receiving Party agrees, upon termination of the agreement or upon the written request of the Disclosing Party, whichever is earlier, to promptly deliver to the Disclosing Party, all records, notes, and other electronic, written, printed, or tangible materials in the possession of the Receiving Party, embodying or pertaining to the Confidential Information without making any copies or retaining any copies, unless specifically permitted by the Receiving Party.

Nothing contained in this agreement shall be deemed to grant to the Receiving Party either expressly or by implication, estoppel or otherwise any right or licence to any Patent, trade mark, trade secret, copyright or other intellectual property.

#### **5. TERM, TERMINATION & SURVIVAL**

This Agreement shall commence on the date first written above and will be in force for a period of 1 years unless terminated earlier at any time upon 7 days prior written notice to that effect by either party to the other. Notwithstanding the foregoing, the Receiving Party's obligations with respect to the Confidential Information shall continue in full force and effect for a period of 3 years from the date of expiry /earlier termination of this agreement.

#### **6. INDEMNITY & REMEDIES**

The Receiving Party hereby agrees to forthwith indemnify and hold harmless the Disclosing Party and its Affiliates from and against any claim, loss, or damages, liability (including the legal fees) arising out of or in connection with any unauthorized use or disclosure by the Receiving Party of the Confidential Information or any other breach of the terms and conditions contained in this Agreement. This clause shall survive the termination or expiration of this Agreement.

The Receiving Party acknowledges that the value of Confidential Information of the Disclosing Party is such that an award of damages or an account of profits may not adequately compensate the Disclosing Party in the event of a breach of this Agreement by the Receiving Party. The Receiving Party acknowledges that in the event of breach of this Agreement by the Receiving Party, the Disclosing Party shall in addition to its right to seek damages or any other form of relief available under law, may also seek and obtain an ex parte

interlocutory and final injunction to prohibit or restrain the Receiving Party or its employees, agents or contractors from any breach or threatened breach of this Agreement.

7. **WAIVER**

No failure or delay by Disclosing Party in exercising any right or power hereunder shall operate as a waiver thereof and no single or partial exercise thereof shall preclude any other or further exercise of any other right or power available to Disclosing Party. This Agreement may only be modified by a further written agreement between the parties hereto.

8. **INDEPENDENT RELATIONSHIP**

Each party is an independent entity and is not an employee or agent of the other party. Nothing contained herein shall be construed to create an employer-employee relationship, a partnership, joint venture or other relationship other than that of independent parties.

9. **NO WARRANTY AS TO ACCURACY**

Each party makes no representation or warranty, express or implied, as to the accuracy, completeness or suitability of the Confidential Information. A party shall not be entitled to rely on the accuracy or completeness of any Confidential Information, unless such accuracy or completeness is certified in writing by the relevant party's duly authorized representatives.

10. **SUCCESSORS AND ASSIGNS**

The Receiving Party shall have no right to assign its rights under this Agreement, whether expressly or by operation of law, without the written consent of the Disclosing Party. This Agreement and the Receiving Party's obligations hereunder shall be binding on Representatives, permitted assigns, and successors of the Receiving Party and shall inure to the benefit of Representatives, assigns and successors of the Disclosing Party.

11. **ADHERENCE TO SEBI REGULATIONS**

The Receiving Party shall not and shall advise its directors, officials, professional advisers and employees who have access to the Confidential Information relating to KSO, not to transfer, trade, dispose off and/or deal in Securities (the term “**Dealing in Securities**”, as used in this Agreement has the meaning given to the same in the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the term “**Securities**” shall include shares, bonds and debentures of KSO) of KSO:

- (i) until the Receiving Party consummates any probable business opportunity, and such probable business opportunity shall have been concluded in accordance with all applicable laws (including the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 (the “**Takeover Code**”), as amended from time to time); or
- (ii) Where the Receiving Party agrees not to proceed with any further business opportunities, until all Confidential Information (which is “unpublished price sensitive information” under the Takeover Code) has become public information without breach of this Agreement.

12. **ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement between the parties and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter

hereof which are hereby superseded and merged herein.

This Agreement shall not create any obligation on the Parties to proceed with the Transaction or to enter into any definitive documents in relation to the Transaction. Nothing contained in this Agreement shall restrict the Parties from participating in discussions with or entering in to any contract or understanding with any person other than in relation to the Transaction or the execution of an agreement similar in nature to this Agreement with such other person.

**13. PUBLIC ANNOUNCEMENT**

The Parties agree that they shall not use the name of the other party or its affiliates or otherwise refer to this agreement in connection with any advertising or publicity material, press releases or other public communications without the prior written consent of the other party.

**14. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of India and the Courts of Mumbai shall have exclusive jurisdiction.

**15. SEVERABILITY**

If any provision of this Agreement shall be held to be invalid or in any way unenforceable, it shall be severed and the remaining provisions shall not in any way be affected or impaired and this Agreement shall be construed so as to most nearly give effect to the parties' intentions when it was originally executed.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day, the month and the year hereinabove written.

**For K.S. Oils Limited**

**For \_\_\_\_\_**

Authorized Signatory

Authorized Signatory

**In Presence of:**

**In Presence of:**

1. Witness:

1. Witness:

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

**Exhibit 6: Format of Letter of Commitment**

*(The Letter of Commitment, to be submitted along with the Expression of Interest, shall be from the Promoter(s) and/or Affiliate(s), if any, the net worth / assets under management of which are desired to be considered for the purpose of evaluation of the Expression of Interest.)*

Date:  
Place:

[•]

Dear Sir,

**Sub: Possible reorganization / restructuring of Edible Oil Business / Division(s) of K.S. Oils**

This has reference to the *Expression of Interest* being submitted by \_\_\_\_\_ (*name of the Bidding Company / Bidding Person / Leader in case of a Bidding Consortium*), in respect of the possible reorganization / restructuring of Edible Oil Business of K.S. Oils (“**Transaction**”), in response to the *Process Letter* issued by PricewaterhouseCoopers Private Limited (“PwC”) / SBI Capital Markets (“SBICAP”) on \_\_\_\_\_, 2013 (“**Process Letter**”).

We hereby confirm the following:

1. We \_\_\_\_\_ (*name of the Affiliate(s)*), have examined in detail and have understood and satisfied ourselves regarding the contents mainly in respect of the following:
  - The Process Letter;
  - All subsequent communications between \_\_\_\_\_ and the Bidder, represented by \_\_\_\_\_ (*name of the Bidding Company or the Bidding Person or the Leader in case of a Bidding Consortium*);
  - (*applicable only for a Bidding Consortium*) The MoU signed between / among \_\_\_\_\_ (*name(s) of Member Companies and / or the Member Persons*); and
  - The *Expression of Interest* being submitted by \_\_\_\_\_ (*name of the Bidding Company or the Bidding Person or of the Leader in case of a Bidding Consortium*).
2. We have satisfied ourselves regarding our role as \_\_\_\_\_ (*here give a brief description of the role*) in the Transaction as specified in the *Expression of Interest*. If \_\_\_\_\_ (*name of the Bidding Company / Bidding Person / Bidding Consortium*) is awarded the Transaction we shall perform our role as outlined in the *Expression of Interest* to the best of our abilities.
3. The nature of our legal relationship with the Bidding Company / Bidding Person / Member Companies or Member Persons of the Bidding Consortium, is specified in the *Expression of Interest*, as per the requirements stated in the Process Letter.
4. We undertake to support \_\_\_\_\_ (*name of the Bidding Company / Bidding Person / Member Company, for which the Letter of Commitment is being furnished*) in respect of the roles \_\_\_\_\_ (*briefly define the roles of the Bidding Company / Bidding Person / respective Member Companies / Persons*) as detailed in the *Expression of Interest* being submitted by \_\_\_\_\_ (*name of the Bidding company or the Bidding Person or the Leader in case of a Bidding Consortium*).
5. We therefore request \_\_\_\_\_ to consider our net-worth / assets under management as specified in the *Expression of Interest* pursuant to the conditions specified in the Process Letter, for the purposes of evaluation of the *Expression of Interest*.

For and on behalf of :  
Signature :

Name of the Person :  
Designation :

(Authorised signatory)

**Exhibit 7: Format of Indicative Business Value**

*(on the Letter Head of the Bidding Company/Leader of the Bidding Consortium)*

<b>Division of Interest*</b>	<b>Indicative Business Value</b>
Kota	
Guna	
Ratlam	
Haldia	
Morena	
Brands	

\*Indicative Business Value of the Division of interest to be provided.