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Lenders are seeking a mix of upfront payment, term loan and a structured instrument for the sale, according to the latest bid document. The company's total debt was Rs 1,021.11 crore on March 31, 2017. The document says PNB Investment Services has been mandated by PNB on behalf of the consortium to identify a strategic investor for the company.

"Transaction is proposed to be completed in not more than three months. The reserve price for the power plant is Rs 827.95 crore (on present value basis at 9.50% considering the above timeline for closure of the transaction) for settlement of lender's liabilities," the bid document said.

The power plant has been lying idle since May 2016 due to cancellation of short-term power

purchase agreements (PPAs), lack of fuel supply agreement and dependence on coal from the market with volatile pricing. The earlier bid document stated that lenders to the project had invoked strategic debt restructuring on June 23, 2017. “It is now proposed to divest stake in the power plant in favour of a new sponsor who can demonstrate the ability to operate the power plant,” it said. The lenders want the buyer to separately take into consideration infusion of adequate equity for settlement of creditors, nominal repairs and maintenance for re-commencement of operations at the power plant and adequate margin for working capital facilities for operations. “Presently, the power plant does not have a long-term PPA. Hence the new sponsors should have the ability to tie up the entire saleable power,” the document said.

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