

Invitation for Expression of Interest for Proposing a Scheme for Compromise or Arrangement under Section 230 of the Companies Act, 2013 with the Creditors and/or Members of Coastal Projects Limited (in Liquidation)

Dated: 15th July, 2019

**Issued on behalf of Coastal Projects Limited (in Liquidation) by
the Liquidator**

Mr. Ravi Sankar Devarakonda

Liquidator – Coastal Projects Limited
(IP Registration No. IBBI/IPA-001/IP-P00095/2017-2018/10195)

Communication Address

Plot No. 304-0, Road No. 78,
Film Nagar, Jubilee Hills
Hyderabad - 500033.

Registered with IBBI:

Address: D 602, Prestige St. Johnswood Apartments,
No. 80, Tavarakere Main Road,
Bangalore - 560029

1. Introduction

Background

Coastal Projects Limited, is a company registered under the Companies Act, 1956 with its registered office at Plot No. 237 Bapujinagar, Bhubaneswar Odisha - 751009, India and corporate office at Plot No. 304-O, Road No. 78 Filmnagar, Jubilee Hills, Hyderabad, Telangana - 500033, India, with corporate identification number U45203OR1995PLC003982 (the “**Company**”).

The Company, which was incorporated in 1995, is a civil construction company primarily engaged in the business of underground/tunnel works, canal/irrigation works, metro rail projects, buildings, border fencing works, hydro power projects, electrical and thermal projects etc.

Initiation of the CIRP

In 2017, an application was filed for initiating the corporate insolvency resolution process (“**CIRP**”) of the Company by State Bank of India. The Kolkata Bench of the National Company Law Tribunal (“**NCLT**”) by way of its order dated January 5, 2018 admitted the CIRP application filed against the Company and appointed Mr. Ravi Sankar Devarakonda as the interim resolution professional of the Company. The appointment of Mr. Ravi Sankar Devarakonda as the resolution professional of the Company was ratified pursuant to the approval of the Committee of Creditors (“**CoC**”) on February 1, 2018. The CIRP was extended for 90 days vide order dated July 3, 2017 and the CIRP period of 270 days expired on October 3, 2018.

As no resolution plan was approved by the CoC and an order for liquidation was passed by the Hon’ble NCLT on December 6, 2018. Mr. Ravi Sankar Devarakonda was appointed as the Liquidator.

2. Invitation for Potential Sponsors:

Expressions of Interest (“**EoI**”) are invited from interested parties who shall fulfil such eligibility criteria as set out in “Annexure B” and who are proposing scheme of compromise or arrangement under Section 230 of the Companies Act (“**Scheme**”). The Company is currently undergoing the liquidation process under the provisions of the Insolvency and Bankruptcy Code, 2016 in terms of the order dated December 6, 2018 passed by the Hon’ble NCLT.

The process as aforesaid shall be completed in the following two stages:

Stage I

- Submission of EoI(s) by interested prospective Sponsors;
- Screening and shortlisting of prospective Sponsors by the Liquidator

Stage II

- Issue of the Request for Proposal (“**RfP**”) document to shortlisted Sponsors upon execution of a non-disclosure agreement (“**NDA**”);
- Access to information of corporate debtor.
- Submission of Schemes by the Sponsors;
- Evaluation of the proposals of the shortlisted Sponsors by the Liquidator.

3. Submission of EoI:

a. Expression of Interest is invited in a sealed envelope superscripted as <Expression of Interest for Scheme of Compromise/ Arrangement for CPL>, in the format as set out in “Annexure A” hereto.

b. Applicants should meet the eligibility criteria as set out in “Annexure B”.

c. Applicants shall submit the Eol along with the supporting documents set out in “Annexure C” and shall also provide the affidavit in the format set out in “Annexure D”.

d. Applicants shall submit the sealed envelope containing a complete set of Eol in hard copy along with the annexures as stated above to the following address by post or deliver in person:

Mr. Ravi Sankar Devarakonda,
Liquidator of Coastal Projects Limited
Plot No. 304-0, Road No. 78,
Film Nagar, Jubilee Hills
Hyderabad 500033

e. Applicant shall also submit a soft copy of Eol along with annexures stated above vide email to liquidator.cpl@in.ey.com.

4. Shortlisting of Potential Sponsors

All the Eols received will be reviewed by the Liquidator. The shortlisted Sponsors who fulfil the eligibility criteria will be intimated within 7 days from the said date with further steps/ details.

5. Last Date of Submission of Scheme

The last date for submission of Expression of Interest (EOI) for proposing the Scheme has been extended up to 25th July, 2019 and the last date for submission of Scheme is extended to 12th August 2019, up to 6 PM.

Note:

1. The Liquidator shall reserve the right to cancel or modify the process without assigning any reason and without any liability. This is not an offer document and is issued with no commitment. Applicants should regularly visit the website of the Company i.e. www.coastalprojects.in to keep themselves updated regarding clarifications/amendments/time-extensions, if any.
2. The Liquidator reserves the right to withdraw the invitation for submission of Scheme under section 230 and change or vary any part thereof at any stage and reserves the right to disqualify any Applicant, should it be so necessary at any stage.
3. No oral conversations or agreements with the Liquidator or any official, agent or employees of the Liquidator, any creditor or class of creditors, any member or class of members shall affect or modify any terms of the invitation for submission of Scheme u/s 230.
4. Criteria for qualification – Scheme of Arrangement/ Compromise of only those interested parties who meet the eligibility criteria (Business and Financial) specified in Annexure B (also available on www.coastalprojects.in) will be considered. Eols which do not meet the criteria shall be rejected. Further conditions including eligibility criteria, may be stipulated in the RfP document at the discretion of the Liquidator.
5. The Applicant shall note that, all the powers of the Board of Directors, Key Managerial Personnel and the partners of the Company, as the case may be, have ceased to have effect and have been vested in the Liquidator of the Company.
6. Neither the Applicants nor any of representatives of the Applicants shall have any claims whatsoever against the Liquidator or its advisors or any of their officials, agents or employees arising out of or relating to this Eol.

7. By submitting its EoI, each Applicant shall be deemed to acknowledge that it has carefully read the entire EoI and has fully informed itself as to all existing conditions and limitations. Ignorance of law/s will not be treated as any excuse.

8. The Applicant acknowledges that the investment in the Company shall be made by the Applicant on an “as is, where is” basis and the Liquidator will not be providing any representations or warranties for the Company.

9. The Applicant acknowledges that, in the event of being shortlisted basis its EoI, it shall also be required to execute an NDA. Upon execution of the NDA, the shortlisted Applicant will be provided the RfP documents containing further details.

For any clarifications on the process of submission of EoI, please contact on liquidator.cpl@in.ey.com.

Issued by:

Mr. Ravi Sankar Devarakonda

(IP Registration No.: IBBI/IPA-001/IP-P00095/2017-2018/10195)

Address for Correspondence in this regard:

Plot No. 304-0, Road No. 78, Film Nagar, Jubilee Hills
Hyderabad 500033.

Email Id: liquidator.cpl@in.ey.com

Registered email ID with IBBI: ravicacscma@icai.org

(On the letter head of the sponsor)

“ANNEXURE – A”

Date: _____

To,

The Liquidator, Coastal Projects Limited Plot no. 304-0, Road no.78, Film Nagar, Jubilee Hills, Hyderabad-500033 India

Subject: Expression of Interest (“EOI”) for proposing a scheme of compromise or arrangement with creditors and members of the Coastal Projects Limited (in liquidation) in compliance with Section 230 of the Companies Act, 2013 and rules prescribed thereunder (“Scheme”).

Dear Sir/Madam,

In response to your public advertisement in The Financial Express newspaper on May 31, 2019 inviting EOIs for submission of Scheme u/s 230 from sponsors in Coastal Projects Limited, we hereby submit our EOI for proposing the Scheme.

We have attached necessary information requested in the format for EOI published on the website of CPL www.coastalprojects.co. The information furnished by us in this EOI is true, correct and accurate to the best of our knowledge. Based on this information we understand you would be able to evaluate our eligibility in order to pre-qualify for the above-mentioned proposal. Further, we agree and acknowledge that:

- (a) the Liquidator reserves the right to request for additional information or clarification from us for the purposes of the EOI and we shall promptly comply with such requirements. Further, we agree that failure to satisfy the queries of the Liquidator may lead to rejection of our submission pursuant to the invitation.
- (b) submission of this EOI alone does not automatically entitle us to participate in the next stage of the process;
- (c) the eligibility criteria set out in “Annexure B” shall be continued to be applied throughout the process for submission of the Scheme and any changes in the details provided under the EOI or any material adverse change affecting the EOI or ability to propose a Scheme shall be intimated within 3 (three) days to the Liquidator.

We also understand that Mr. Ravi Sankar Devarakonda, the Liquidator reserves the right to determine at his sole discretion whether or not to pre-qualify us and to reject the EOI submitted by us without disclosing any reason whatsoever. Further, our proposal shall be subject to the approval of the scheme of compromise or arrangement by the creditors or class of creditors, or the members or class of members and thereafter by the Hon’ble NCLT, in terms of the provisions of the Companies Act, 2013.

Sincerely yours,

On behalf of the firm/company/organization:

Signature: _____

Name of signatory:

Designation:

Company Seal/stamp

Enclosures: (Annexures)

“ANNEXURE – B”

ELIGIBILITY CRITERIA FOR QUALIFICATION

Pre-Bid Qualification: Technical & Financial

EOI would be subject to evaluation on various Technical Parameters e.g. Consolidated group revenues/turnover and/or Assets under Management (AUM) and various Financial Parameters e.g. Consolidated Group Net worth and/or Funds available for deployment including the following:

1. Individual

Individual having a personal networth of over INR 50 Crores as on March 31, 2019.

2. Body Corporate:

Private/Public Limited Company, LLP, Body Corporate along with its group companies whether incorporated in India or outside India, with minimum Tangible Networth (TNW) of INR 100 Crores (as per the Companies Act, 2013) and a turnover of over INR 150 Crores in the immediately preceding completed financial year.

3. Financial Institutions (FI*)/ Funds /Private Equity (PE) Investors/Non-Banking Financial Company (NBFC)/Any other applicant:**

Minimum Asset Under Management (AUM) of INR 500 Crores in the immediately preceding completed financial year,

OR

Committed funds available for investment/deployment in Indian Companies or Indian assets of INR 250 Crores or more in the immediately preceding completed financial year.

* FI as defined under Section 45-I(c) of RBI Act

** NBFC as defined under Section 45-I(f) of RBI Act

Note:

1. The aforesaid financial parameters to be certified by Auditor/ Independent Chartered Accountant.

2. Management shall also certify the same in addition to submission of supporting documents.

4. In case of bidding as a consortium:

- Lead member must hold at least 51% equity in the consortium.
- In case the consortium is of Body Corporates, TNW of consortium shall be calculated as weighted average of individual member's TNW (value of negative TNW members shall be considered as Nil).
- In case the consortium is of FIs/Funds/PE Investors/NBFCs/any other applicants, the minimum AUM of consortium shall be calculated as weighted average of individual member's AUM OR committed funds available for investment/deployment in Indian companies which shall be calculated as weighted average of individual member's committed fund to investment/deployment in Indian companies.
- In case the consortium is of Individual/Body Corporates/FIs/Funds/PE Investors/NBFCs/any other applicants, the qualification criteria for personal NW/TNW and turnover/AUM/committed funds would be in

proportion to their shareholding in the consortium. All the consortium members should satisfy the criteria independently.

- No change in lead member or any member whose financials have been used to meet the criteria set out herein shall be permitted after submission of Eols.

Apart from meeting the above eligibility criteria, the applicant/ any members of the consortium should not be a wilful defaulter as per RBI Circular DBR.No.CID.BC.22/20.16.003/2015-16 dated 1st July 2015.

Applicants can refer to the website www.coastalprojects.co for further details or any amendments thereof and the last date for submission of Final Scheme is August 12, 2019

“ANNEXURE – C”

SUPPORTING DOCUMENTS TO BE ATTACHED WITH EOI

a. *[Note: In case of joint Eols, the details set out below are to be provided for each of the individuals/entities/groups submitting each joint Eol, as the case may be.]*

1. Name and Address:

- a. Name of the Individual/Firm/Company/Organisation/ Other Applicant:
- b. Address:
- c. Telephone No:
- d. Fax:
- e. Email:
- f. PAN/CIN:

2. Date of Establishment (if any):

3. Nature of Establishment: *[Body Corporate OR Financial Institutions / Funds / PE Investors/other applicant]*

4. Core Area of Expertise:

5. Contact Person:

- a. Name:
- b. Designation:
- c. Telephone No:
- d. Mobile No:
- e. Email:

6. Individual:

a. Individual Profile:

[Note: The individual should necessarily include net worth numbers of the preceding financial year.]

(if for group, give separately for each individual)

<i>INR Crores</i>	<i>FY19</i>
<i>Net worth</i>	

7. Company/FI Profile:

a. Company Financial Profile (consolidated / standalone as applicable):

[Note: The Company profile should necessarily include net worth and revenue numbers of the preceding three financial years. Where the entity submitting the Eol is a financial investor / fund entity, please provide details pertaining to 'assets under management' and/or 'committed funds' for the preceding three years or the committed funds available as on March 31, 2019, for investment.]

For Body Corporate (if for group, give separately for each company)

<i>INR Crores</i>	<i>FY19</i>	<i>FY18</i>	<i>FY17</i>
<i>Revenue</i>			
<i>Tangible Net worth</i>			

For Financial Institutions / Funds / PE Investors (if for group, give separately for each entity)

<i>INR Crores</i>	<i>FY19</i>	<i>FY18</i>	<i>FY17</i>
<i>Assets under management</i>			
<i>Committed Funds</i>			

- b. Names & DIN of Directors including Independent Directors:
- c. Experience of the Company in the relevant sector:
- d. Names of key lenders, if any, to the Company or its affiliates:
- e. History, if any, of the Company or affiliates of the Company being declared a 'wilful defaulter', 'non-cooperative borrower', 'non-impaired asset' or 'non-performing asset':
- f. Any other relevant details which would be useful to evaluate the proposal and help to shortlist for the next stage in the process:
- g. Ownership Details:
- h. Proof of Identity and Address:

Note: Applicant shall submit the following documentary proofs as a part of this Annexure C:

1. Applicable to Individuals

- a. Document certifying net worth for the last financial year.

2. Applicable to Body Corporate

- a. Audited financial statements for last 3 (three) financial years along with certificate from Statutory Auditor or Chartered Accountant or Company Secretary or equivalent in the jurisdiction of incorporation of the Company certifying tangible net worth and turnover of the last 3 (three) financial years;
- b. Copy of Certificate of Registration and latest Constitutional Documents of the Applicant.

3. Applicable to Financial Institutions / Funds / PE Investors

- a. Certificate from Statutory Auditor or Independent Chartered Accountant or equivalent in the jurisdiction of incorporation certifying Assets Under Management and Committed Funds as at end of last 3 (three) financial years;
- b. Documentary evidence for funds available for deployment as on March 31, 2019;
- c. Audited financial statements for last 3 financial years.

d. Copy of Certificate of Registration and latest Constitutional Documents of the Applicant.

[Note A: In case of Consortium Applicant, the details set out above are to be provided for each member of the Consortium]

[Note B: In case of joint EoIs, the details set out above are to be provided for each of the entities / groups submitting each joint EoI.]

“ANNEXURE – D”

AFFIDAVIT BY THE SPONSOR

(To be executed on non-judicial stamp paper of appropriate stamp duty value relevant to the place of execution)

I, *[name of the Individual/chairman/managing director/director/authorized person of Sponsor, authorised by the Board of the Sponsor for giving such affidavit]*, son of *[•]*, aged about *[•]* years, currently residing at *[Address to be inserted]* and having Aadhaar/ Passport number *[•]*, on behalf of *[name of the Sponsor]* having registered office at *[•]*, do solemnly affirm and state to the Liquidator of Coastal Projects Limited that we are meeting the qualification criteria as required for submission of EOI vide advertisement dated _____ as disclosed in the information and records with us.

I, *[name of the Individual/ chairman/managing director/director/authorized person of Sponsor, authorised by the Board of the Sponsor for giving such affidavit]*, further acknowledge that I have carefully read the entire EOI and am aware of all existing conditions and limitations in relation to the same.

Solemnly affirmed at *[•]*
on the *[•]* day of *[•]* 2019

Before me,
Notary/Oath Commissioner

DEPONENT

VERIFICATION:

I, *[name of the Individual/chairman/managing director/director/authorised person of Sponsor, authorised by the Board of the Sponsor company (in case of a company) for giving such affidavit]*, the deponent above named, on behalf of *[name of the Sponsor]*, currently residing at *[•]*, do hereby solemnly state on oath and declare and verify that the contents of the above affidavit are true, correct and complete to the best of my knowledge and nothing material has been concealed therein.

Verified at *[•]*, on this the *[•]* day of *[•]* 2019

DEPONENT