

D S R M STEELS PRIVATE LIMITED

INVITATION FOR EXPRESSIONS OF INTEREST FOR SUBMISSION OF RESOLUTION PLAN IN D S R M STEELS PRIVATE LIMITED

1. Introduction:

- I. **D S R M STEELS PRIVATE LIMITED [DSRMPL]** is an unlisted private company incorporated on 07/12/2005. The registered office of the company is at SF NO.412/1, VEDASANDUR TALUK, DINDIGUL DIST KULATHUR TN 624005 IN. The total paid-up capital is INR 1,79,500,000/-. The company also has secured loans for the amount of INR 57,04,41,194.59/-. D S R M Steels Private Limited is majorly deals with Iron and Steel business and currently company operations are active.
- II. The last reported AGM (Annual General Meeting) of the company, as per our records, was held on 30 September, 2014. Also, as per our records, its unaudited last balance sheet was prepared for the period ending on 31 March, 2018 where in MCA Portal last balance sheet was filed is 31.03.2014.
- III. **D S R M STEELS PRIVATE LIMITED** is currently undergoing Corporate Insolvency Resolution Process (“CIRP”) that has been initiated as per the provisions of Insolvency and Bankruptcy Code (IBC) 2016 under the order of **National Company Law Tribunal (“NCLT) Division Bench** in respect of Company Petition **CP/1114/(IB)/2018**, and the insolvency commencement date under the IBC is **October 30, 2018**.
- IV. Committee of Creditors (“CoC”) through Resolution Professional (“RP”) is in process of identifying resolution applicant(s) for DSRMPL. Hence, RP Chandramouli Ramasubramaniam on behalf of CoC invites Expression of Interest (“EoI”) from investors having adequate financial capability to submit resolution plan [*Refer Annexure-D*] for DSRMPL under CIRP.

2. Transaction Process:

The transaction process shall be completed in two stages, brief of which is discussed hereunder

- Submission of EOI by interested Resolution Applicants(RAs) in a sealed envelope
- All the EOIs received will be reviewed by RP as well as COC and shortlisted applicants
- Signing of Non-Disclosure Agreement
- Access to data room for due diligence by Resolution Applicants who have signed the Non-Disclosure Agreement
- Submission of Resolution Plan(s) by RAs in another separate sealed envelope.
- Short listing of RAs by CoC

3. The qualification criterion for the proposed transaction is as under:

The applicant must be ‘fit and proper’ person not under any legal disability to be promoter under the applicable laws including listing agreement, stock exchange requirements and SEBI regulations and guidelines. The applicant having adequate financial capability would submit proof of its effective net worth by means of Chartered Accountants Certificate in this regard.

Submission of EOI:

- a) Expression of Interest (EOI) is invited in a sealed envelope superscripted as <**Expression of Interest for Investment in D S R M STEELS PRIVATE LIMITED**>, in the format as set out in Annexure 'A' hereto.
- b) Applicants shall submit the EOI with details set out as **Annexure 'B'** along with the supporting documents set out as **Annexure 'C'**.
- c) Applicant shall submit the sealed envelopes containing a complete set of the EOI in hard copy along with the Annexures stated above, to the following address by post or deliver in person:

C. RAMASUBRAMANIAM
Resolution Professional in the matter of
D S R M STEELS PRIVATE LIMITED
'RAJI' 3B1, 3rd Floor, Gaiety Palace,
No.1L, Blackers Road, Mount Road, Chennai-600 002.

A soft copy of EOI along with annexures stated above should be mailed to fcs.rms@gmail.com

4. Last Date of Submission of EOI:

The last date for submission of EOI is **28-01-2019**. In case the designated day happens to be a holiday; the next working day will be deemed as the last date for submission of EOI.

All the EOIs received will be reviewed by RP as well as COC and shortlisted applicants will be shared the Information Memorandum, prepared as per provisions of the Code, after signing of Non-Disclosure Agreement.

Such shortlisted Applicants will be given 30 (Thirty) days' timelines to carry out due-diligence and submit Resolution Plan as per provisions of the Code.

Note

- 1) COC/RP has 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 website **www.cirpindia.com** to keep themselves updated regarding clarifications/ amendments/ time-extensions, if any.
- 2) COC/ RP reserve the right to withdraw EOI and change or vary any part thereof at any stage and also reserve the right to disqualify any prospective applicant, should it be so necessary at any stage.
- 3) No oral conversations or agreements with the RP or any official, agent or employee of the RP, or any member of the COC shall affect or modify any terms of this EOI.
- 4) Neither the applicant nor any of the applicant's representatives shall have any claims whatsoever against the RP or any member of the COC or any of their directors, officials, agents or employees arising out of or relating to this EOI.
- 5) By submitting a proposal, 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.

“ANNEXURE – A”

**FORMAT FOR EXPRESSION OF INTEREST FOR SUBMISSION OF
RESOLUTION PLAN IN D S R M STEELS PRIVATE LIMITED UNDER CIRP**

Date: _____

To,
Mr. C. Ramasubramaniam, Resolution Professional
(Appointed by the Committee of Creditors of **D S R M STEELS PRIVATE LIMITED**)

**Subject: Expression of Interest (“EOI”) for submission of Resolution Plan in D S R M STEELS
PRIVATE LIMITED (“DSRMPL”) under Corporate Insolvency Resolution Process (CIRP)**

Dear Sir,

In response to your public advertisement in [*Insert the names of the newspaper and/or website*] on [*Insert date of the advertisement*] inviting EOIs for submission of Resolution Plan in DSRMPL, we hereby submit our EOI.

We have attached necessary information requested in the format for EOI published on the website of **www.cirpindia.com**. 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 preliminary proposal in order to shortlist for the above-mentioned proposal.

We however, understand that C. Ramasubramaniam, Resolution Professional (“**RP**”) and the Committee of Creditors (“**COC**”) reserve their right to decide whether or not to pre-qualify our proposal without disclosing the reason whatsoever and that Resolution Plan submitted in DSRMPL shall be subject to approval of the final resolution plan by the members of COC and the NCLT, in terms of the provisions of the Insolvency and Bankruptcy Code, 2016.

Sincerely yours,

On behalf of (Insert name of the entity submitting the EOI)

Signature:

Name of signatory:

Designation:

Company Seal/Stamp

“ANNEXURE – ‘B’

DETAILS OF THE PROSPECTIVE INVESTOR / APPLICANT

Name and address

Name of the Investor/Applicant:

Address:

Telephone No:

Fax:

Email:

Date of establishment of Investor/Applicant:

Core area of expertise of the Investor/Applicant:

Contact Person:

Name:

Designation:

Telephone No:

Email:

PAN No. or equivalent details of Investor/Applicant

“ANNEXURE – C”

SUPPORTING DOCUMENTS TO BE ATTACHED WITH EOI

- (a) Profile of the Prospective Investor / Applicant
- (b) Solvency Certificate to be produced in the case of Individuals.
- (c) **Legal Documents:** Copies of Certificate of Registration and Constitutional Documents of the Prospective Investor/ Applicant
- (d) **For Turnover:** Immediately preceding 3 (three) years audited financial results of the Prospective Investor and/or its promoter/promoter group or any other group company.
- (e) **For Demonstration of funds availability:** Statement of funds availability of the Prospective Investor and/or promoter/promoter group or any other group company.
- (f) **For Net worth:** The applicant must submit documents indicating its effective net worth, supported by the certificate of Chartered Accountant.
- (g) A notarized declaration from the applicant in order to demonstrate that the promoter/promoter group or any other group company are part of the same group, in case the applicant is using such entities for submitting EOI. Please note that the applicant must be ‘fit and proper’ person not under any legal disability to be promoter under the applicable laws including listing agreement and SEBI regulations and guidelines and shall provide all relevant documents for its promoter/promoter group or any other group company. [*Refer Annexure – E for Sec 29A of IBC, 2016*]
- (h) Investor/RAs Profile:
 - i. Investor/RAs Financial Profile (consolidated/standalone as applicable):
 - ii. Experience of the Investor/RAs in the relevant sector.
 - iii. History if any, of the Investor/RAs or affiliates of the Investor/RAs being declared a “wilful defaulter”, non-cooperative borrower’, ‘non-impaired asset’ or ‘non-performing asset (Self Declaration)
- (i) A Demand draft for an amount of Rs.10,000/- to be drawn in favour of the Corporate Debtor (**D S R M STEELS PRIVATE LIMITED**) by the prospective RA who is submitting the Resolution Plan.

ANNEXURE - D

ELIGIBILITY CRITERIA FOR QUALIFICATION

In the meeting of Committee of Creditors of D S R M STEELS PRIVATE LIMITED held on 08/01/2019, the following eligibility criterion was decided by the members of COC for a Prospective Resolution Applicant to participate in the CIRP of D S R M STEELS PRIVATE LIMITED, for submission of Resolution Plan:

- 1) **Category A - In case of a Individuals, private/ public limited company, Partnership firm, LLP, body corporate whether incorporated in India or outside India:**
 - Minimum tangible net worth (TNW) of Rs. 5 Crores (as per Companies Act, 2013 or, in case of NBFCs, applicable RBI Regulations) at the end of the immediately preceding completed financial year, but not earlier than 31st March 2018
- 2) **Category B – In case of Individuals, Partnership Firm, Financial Investors (FI¹) / Mutual Funds / Private Equity / Venture Capital Funds, Domestic / Foreign Investment Institutions, Non-Banking Finance Companies (NBFC²), Asset Reconstruction Companies, Banks, and similar entities:**
 - Total assets under Management (AUM) / Loan Portfolio shall be at least Rs. 15 Crores at the end of the immediately preceding completed financial year, but not earlier than 31st March 2018; OR
 - ¹FI as defined under Section 45-1(c) of RBI Act
 - ²NBFC as defined under Section- 45-1(f) of RBI Act

Shortlisted applicants based on the eligibility criteria shall be provided access to Virtual Data Room on signing of Non-Disclosure Agreement, which shall be shared separately.

Please be informed that all the Prospective Resolution Applicants must not attract any of the in-eligibilities as per the provisions of Section 29A of IBC, 2016. [Refer **Annexure ‘E’**]

“ANNEXURE E”

29A. Persons not eligible to be resolution applicant.

A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person—

- (a) is an undischarged insolvent;
- (b) is a willful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);
- (c) at the time of submission of the resolution plan has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) or the guidelines of a financial sector regulator issued under any other law for the time being in force, and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor:

Provided that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to non-performing asset accounts before submission of resolution plan:

Provided further that nothing in this clause shall apply to a resolution applicant where such applicant is a financial entity and is not a related party to the corporate debtor.

Explanation I- For the purposes of this proviso, the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date.

Explanation II.— For the purposes of this clause, where a resolution applicant has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior resolution plan approved under this Code, then, the provisions of this clause shall not apply to such resolution applicant for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under this Code;

- (d) has been convicted for any offence punishable with imprisonment –
 - i. for two years or more under any Act specified under the Twelfth Schedule; or
 - ii. for seven years or more under any law for the time being in force:

Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:

Provided further that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

- (e) is disqualified to act as a director under the Companies Act, 2013 (18 of 2013): Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of *Explanation I*;
- (f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;
- (g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code:

Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

- (h) has executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code and such guarantee has been invoked by the creditor and remains unpaid in full or part;
- (i) is subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or
- (j) has a connected person not eligible under clauses (a) to (i).

Explanation I. — For the purposes of this clause, the expression "connected person" means—

- i. any person who is the promoter or in the management or control of the resolution applicant; or
- ii. any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or
- iii. the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii):

Provided that nothing in clause (iii) of *Explanation I* shall apply to a resolution applicant where such applicant is a financial entity and is not a related party of the corporate debtor.

Provided further that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date;

Explanation II—For the purposes of this section, "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely:—

- (a) a scheduled bank;
- (b) any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding;
- (c) any investment vehicle, registered foreign institutional investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the meaning assigned to them in regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999 (42 of 1999);
- (d) an asset reconstruction company registered with the Reserve Bank of India under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);
- (e) an Alternate Investment Fund registered with Securities and Exchange Board of India;
- (f) such categories of persons as may be notified by the Central Government.