

EXPRESSION OF INTEREST - COASTAL ENERGY PRIVATE LIMITED

PROCESS DOCUMENT

1: Introduction:

Expression of Interest (“EOI”) is invited from the prospective bidders in the matter of Coastal Energy Private Limited. The Corporate Insolvency Resolution Process of Coastal Energy Private Limited has commenced with effect from 06th January, 2020- vide an order by the National Company Law Tribunal, Chennai Bench.

The Company is in the area of importing non-coking coal and other mineral resources in bulk and wholesale supply to consumers in India with Pan India presence in Chennai, Mumbai, Tuticorin, Paradip, Surat.

The Company was incorporated on 18th February, 1997 vide Corporate Identity Number U52599TN1997PTC037547 located at 11 Mahalingapuram Main Road , Nungambakkam , Chennai - 600 034

2. Transaction Process:

The transaction process for the Corporate Debtor as aforesaid shall be completed in two stages, which is discussed briefly as under:

Stage I:

- Submission of EOI by Interested Resolution Applicants (RAs) along with Refundable Process Participation Deposit.
- Shortlisting of Resolution Applicants (RAs) by Committee of Creditors (COC) / Resolution Professional.

Stage II:

- Submission of duly executed Confidentiality Undertaking by Shortlisted RAs in order to obtain Request for Resolution Plan (RFRP), Evaluation Matrix, Information Memorandum and other relevant information of the Corporate Debtor.
- Access to Data to shortlisted RAs for their due diligence
- Submission of Resolution Plan by RA along with requisite documents and with EMD / Financial Bank Guarantee as per terms contained in RFRP.

(on the Letterhead of the Entity Submitting the EoI)

EXPRESSION OF INTEREST

Date: _____

To

Subject: Expression of Interest ("EoI") for submitting Resolution Plan for Coastal Energy Private Limited ("**Corporate Debtor**")

Dear Sir,

In response to the public advertisement in Business Standard and Dinasuriyan newspapers dated 02nd November, 2020 inviting EoI for submission of resolution plans ("Resolution Plan") as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"), we confirm that we have understood the eligibility criteria mentioned in the Annexure A to this EoI and meet the necessary thresholds and criteria mentioned therein and submit our EoI for submission of a Resolution Plan for the Corporate Debtor.

We hereby undertake that we meet the criteria specified by the committee under clause (h) of sub-section (2) of section 25 of the IBC.

We hereby declare that we are not ineligible person as prescribed under section 29A of Insolvency and Bankruptcy Code, 2016. Along with our EoI, we have also provided information as required in the prescribed format in Annexure B and Annexure C.

We hereby undertake that we will intimate the Resolution Professional forthwith if we become ineligible at any time during the corporate insolvency resolution process.

We hereby undertake that every information and records provided in expression of interest is true and correct and discovery of any false information or record at any time will render us ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code.

We hereby undertake that we will maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29.

The information furnished by us in this EoI and in the Annexures, including documentary proofs, is true, correct, complete and accurate and unconditional. Further, we acknowledge that:

- (a) The Resolution Professional reserves the right to determine whether or not we qualify for the submission of the Resolution Plan and that the RP reserves the right to reject the EOI submitted by us without assigning any reason and without any liability whatsoever;
- (b) The RP reserves the right to request for additional information / documents from us for the purpose of the EOI;
- (c) We will furnish relevant records in evidence of meeting the criteria under clause (h) of sub-section (2) of section 25 of Insolvency and Bankruptcy Code, 2016 and relevant information and records to enable an assessment of our ineligibility under section 29A of Insolvency and Bankruptcy Code, 2016, and
- (d) Information Memorandum / access to data will be provided after submitting a confidentiality undertaking as per Section 29(2) of the Insolvency and Bankruptcy Code, 2016.

Sincerely Yours,

On behalf of [Insert the name of the entity submitting the EOI] 1 & 2

Signature _____

Name of Signatory:

Designation:

Company Seal / Stamp

1. In the case of Consortium Applicant, the EoI shall be signed by the nominated lead and details as per Annexure D to be provided.

2. The person signing the EoI and other supporting documents should be an authorised signatory supported by necessary board resolution / authorisation letter.

ANNEXURE A

Eligibility Criteria*

The Eligibility criteria for submission of Resolution Plan for Coastal Energy Private Limited are proposed as follows:

- (a) Any person including Private Limited Company or Public Limited Company registered under the Companies Act, 1956 or 2013, Limited Liability Partnership (LLP) or SEBI registered Alternative Investment Fund (AIF) or a company incorporated outside India, which is eligible to invest in India under the laws of India either as a sole resolution applicant or as part of a consortium.
- (b) In case of consortium, the minimum equity contribution by each **consortium member** should be **at least 10%** and **lead consortium member should be at least 26%**.
- (c) The shareholding of the special purpose vehicle (SPV) incorporated by the consortium shall be same as the shareholding of members in consortium.
- (d) Potential Resolution Applicant's competence and capability are proposed to be established broadly by the following parameters:

1. Business Capacity;
2. Financial Capacity;
3. Provisions of section 29A of IBC.

In addition to the eligibility criteria, the following will also be given added advantage:

- (i) Experience of the applicant in import and trading of Non Coking Coal in a similar trade.
- (ii) Experience of the applicant in acquisition/turnaround of stressed assets and
- (iii) Applicant's overall managerial strength.

1. Business capacity Eligibility criteria:

Turnover: Minimum Turnover of case **Rs 150 Crores** (Rupees Fifty crores only) at the group level in case of consortium and in other cases **Rs. 75 Crores** (Rupees Twnty Five Crores only) as per the last available audited financial statements.

Notes: (i) Turnover shall mean either gross income or gross revenue.

(ii) The condition for turnover may be relaxed for any Financial Investors / Investment Companies / Alternative Investment Fund / Sole Individual Investor / Consortium of Sole Individual Investors.

(iii) While providing the information and numbers for the turnover criteria, standalone turnover (ie gross income or gross revenue) along with consolidated number with that of the promoter / promoter group and / or any of the group entities may be provided based on the last audited financial statements of the Potential Resolution Applicant and such entities.

2. Financial capacity Eligibility criteria:

(i) Net Worth:

Sl.No.	Eligibility	Criteria
1	Individual / Firm / Private Limited Company / LLP / Body Corporate	Minimum Net Worth of INR 40 Crores or more as on 31st March, 2020
OR		
2	Consortium of Individual / Firm / Private Limited / Public Limited / LLP / Body Corporate along with a Co-applicant	Minimum Net Worth of INR 80 Crores or more as on 31st March, 2020.
OR		
3	Financial Institutions / Funds / PE Investors / NBFCs / Asset Reconstruction Company / Any other applicants	Minimum Assets under Management (AUM) of INR 200 Crores or more as on 31st March, 2020 and committed amount of Rs.40 Crores.
AND		
4	Prospective Resolution Applicant shall not be an ineligible person as prescribed under section 29A of the Insolvency and Bankruptcy Code, 2016.	

@ In the case of bidding as a consortium / joint bid:

- a. **Minimum Net Worth of INR 40 crores** each for applicants at Item 1
- b. In case of combination of 1, 2, 3, Net Worth criteria would be applicable for applicants at Item No.1 & 2 and applicants at Item No.3 to satisfy AUM criteria,
- c. Consortium Net Worth shall be arrived at by multiplying each Member's Share in the Consortium with its respective Net Worth.

(ii) Good Financial Health and repute:

Good track record of financial health and repute of Potential Resolution Applicant for last 3 years.

3. Provisions of Section 29A of IBC: Specified in Annexure E attached to this EOI and may please be referred.

In addition to the above, the following shall also be considered as an added advantage:

1. Experience of the applicant in import and trading of Non Coking Coal in a similar trade.
2. Experience of the applicant in acquisition / turnaround of stressed assets; and
3. Applicant's overall managerial strength.

ANNEXURE B

TERMS AND CONDITIONS

A: Preliminary terms and conditions for submission of EOI:

1. Expression of Interest (“EOI”) needs to be submitted in the format of Application provided along with the required Annexures.
2. Prospective Resolution Applicant shall along with Expression of Interest submit
 - (a) certified true copies of their Audited Financial Statements of last 3 years or since inception if incorporated in the immediately preceding three years,
 - (b) Proof of address,
 - (c) Copy of PAN card,
 - (d) certified true copies of Constitutional documents, and
 - (e) certified true copy of Board Resolution in case of Corporate Person.

Prospective Resolution Applicant shall also submit relevant KYC details applicable as the case may be (Individual / Corporate / Financial Institution / Funds / PE Funds).

3. No change in lead member or any member whose financials have been used to meet the criteria set out herein shall be permitted after the last date for submission of EOIs. Further conditions / criteria including evaluation matrix, control, lock-in restrictions and other eligibility conditions at the sole discretion of RP / COC may be stipulated in the RFRP document to eligible RAs.
4. **Process Deposit:** A Process **participation deposit of Rs.25 Lakhs** to be paid along with the application for expression of interest, which will be refundable to non-eligible prospective Resolution Applicants within 1 month from the date of issuance of final list of RAs by RP. Further the said process participation deposit shall not bear any interest.
5. The process deposit may be paid through Demand Draft / Bankers Cheque drawn in favour of “Coastal Energy Private Limited: payable at Chennai or by NEFT / RTGS (bank details * as provided below):

Name of the Corporate Debtor	Coastal Energy Private Limited
Bank Name	Indian Overseas bank
Branch Name	
Account No.	
IFS Code	

Exception: Where the Resolution plan of the resolution applicant is approved by CoC, the process participation deposit provided by the said “Successful Resolution Applicant” shall be adjusted towards payment due as per the approved Resolution Plan. Further, the said process participation deposit shall not bear any interest. However, the unsuccessful RAs /

shortlisted eligible Prospective Resolution Applicants, who have not submitted their Resolution Plans shall be refunded with the said process participation deposit within 1 month of approval of Resolution Plan by the Adjudicating Authority.

B: Terms & Conditions applicable to the Prospective Resolution Applicant(s) shortlisted by the Committee of Creditors:

1. The Terms and conditions as laid down in “Request For Resolution Plan (RFRP)” document shall be applicable and the shortlisted prospective Resolution Applicants shall comply all the stipulations laid down in RFRP.

Note: The COC reserves the right to extend the last date of submission of EOI at its discretion. The RP / COC reserves the right to cancel / modify the process and / or disqualify any interested party without assigning any reason and without any liability whatsoever.

ANNEXURE C

1. **Name and Address:**
 - a).Name of the Firm / Company / Organisation:
 - b).Address:
 - c).Telephone No.
 - d).Fax;
 - e).Email:
 - f).PAN / CIN:
 - g).Web site, if any:
2. **Date of Establishment:**
3. **Nature of Establishment:**[Body Corporate or Financial Institutions / Funds / PE Investors]
4. **Core Area of Expertise:**
5. **Experience in Production, distribution and marketing of socks / export/ sector** relating to the Company (if any):
6. **Past experience in acquisition / turnaround of stressed assets (if any):**
7. **Overall management strength:**
8. **Contact Person:**
 - a).Name:
 - b).Designation:
 - c).Telephone No:
 - d).Email:
9. **Group / Company Profile:**
 - a. Group / Company Financial Profile (Consolidated / standalone as applicable):
(Note: The Group / Company profile should necessarily include net worth and revenue numbers of the preceding three years. Where the entity submitting the EOI is a financial investor / fund entity / ARC / PE Investor, please additionally provide details pertaining to “assets under management” for the preceding three years and the committed funds available as on 31st March, 2020]

For Body Corporate:

INR Crores	FY 2017-18	FY 2018-19	FY 2019-20
Revenue			
Net Worth			

RBI reference rate as on the date of financial statements shall be used for conversion into Indian Rupees. Immediately available preceding date rate shall be considered if rate for that particular date is unavailable.

For Financial Institutions / Funds / PE Investor / ARC:

INR Crores	FY 2017-18	FY 2018-19	FY 2019-20
Assets under Management			

b. Names and DIN of Directors including Independent Directors;

c. History, if any, of the Company or affiliates of the Company being declared a “wilful defaulter”, ‘non-cooperative borrower’, ‘non-impaired asset’ and / or ‘non-performing asset’:

d. Names of Key lenders, if any, to the firm / Body Corporate or its affiliates;

e. Ownership Details;

f. Proof of Identity and Address;

g. Any other relevant details which would be useful to the RP to evaluate the Bid and help to shortlist for the next stage in the process.

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

1. Applicable to Firms / Body Corporate:

- a. Audited Financial statements for last 3 financial years;
- b. Copy of Certificate of Registration and latest Constitutional Documents of the Applicant.

2. Applicable to Financial Institutions / Funds / PE Investors / ARC:

- a. Certificate from Statutory Auditor or Chartered Accountant or Company Secretary or equivalent in the jurisdiction of incorporation certifying assets under management as on end of the last three financial years;
- b. Documentary evidence for Funds available for deployment as on March, 31, 2020
- 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 the case of Consortium / Joint Bid, the details set out above are to be provided for each member of the Consortium / Group].

ANNEXURE D

1. Details of Consortium Members:

Name of the Member	% of share in the Consortium	Nominated as lead (Y / N)

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 wilful 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 or 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):

3[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 register 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.]

Section 5(24): "related party", in relation to a corporate debtor, means-

(a) a director or partner of the corporate debtor or a relative of a director or partner of the corporate debtor;

(b) key managerial personnel of the corporate debtor or a relative of a key managerial personnel of the corporate debtor;

(c) a limited liability partnership or a partnership firm in which a director, partner, or manager of the corporate debtor or his relative is a partner;

(d) a private company in which a director, partner or manager of the corporate debtor is a director and holds along with his relatives, more than two per cent. of its share capital;

(e) a public company in which a director, partner or manager of the corporate debtor is a director and holds along with relatives, more than two per cent. of its paid-up share capital;

(f) anybody corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;

(g) any limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;

(h) any person on whose advice, directions or instructions, a director, partner or manager of the corporate debtor is accustomed to act;

(i) a body corporate which is a holding, subsidiary or an associate company of the corporate debtor, or a subsidiary of a holding company to which the corporate debtor is a subsidiary;

(j) any person who controls more than twenty per cent. of voting rights in the corporate debtor on account of ownership or a voting agreement;

(k) any person in whom the corporate debtor controls more than twenty per cent. of voting rights on account of ownership or a voting agreement;

(l) any person who can control the composition of the board of directors or corresponding governing body of the corporate debtor;

(m) any person who is associated with the corporate debtor on account of-

(i) participation in policy making processes of the corporate debtor; or

(ii) having more than two directors in common between the corporate debtor and such person; or

(iii) interchange of managerial personnel between the corporate debtor and such person;
or

(iv) provision of essential technical information to, or from, the corporate debtor;

Section 5 (24A) "related party", in relation to an individual, means-

(a) a person who is a relative of the individual or a relative of the spouse of the individual;

(b) a partner of a limited liability partnership, or a limited liability partnership or a partnership firm, in which the individual is a partner;

(c) a person who is a trustee of a trust in which the beneficiary of the trust includes the individual, or the terms of the trust confers a power on the trustee which may be exercised for the benefit of the individual;

(d) a private company in which the individual is a director and holds along with his relatives, more than two per cent. of its share capital;

(e) a public company in which the individual is a director and holds along with relatives, more than two per cent. of its paid-up share capital;

(f) a body corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of the individual;

(g) a limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, act on the advice, directions or instructions of the individual;

(h) a person on whose advise, directions or instructions, the individual is accustomed to act;

(i) a company, where the individual or the individual along with its related party, own more than fifty per cent, of the share capital of the company or controls the appointment of the board of directors of the company.

Explanation : -For the purpose of this clause –

(a) “relative” , with reference to any person, means anyone who is related to another, in the following manner, namely: --

- (i) Members of Hindu Undivided Family;
- (ii) Husband;
- (iii) Wife;
- (iv) Father,
- (v) Mother,
- (vi) Son
- (vii) Daughter,
- (viii) Son’s daughter and son,
- (ix) Daughter’s daughter and son,
- (x) Grandson’s daughter and son,
- (xi) Granddaughter’s daughter and son,
- (xii) Brother,
- (xiii) Sister,
- (xiv) Brother’s son and daughter,
- (xv) Sister’s son and daughter,
- (xvi) Father’s father and mother,
- (xvii) Mother’s father and mother,
- (xviii) Father’s brother and sister,
- (xix) Mother’s brother and sister; and

(b) Wherever the relation is that of a son, daughter, sister or brother, their spouses shall also be included.