

**INVITATION FOR EXPRESSION OF INTEREST FOR ACQUISITION OF  
ASSETS OF "East Coast Energy Private Limited- IN LIQUIDATION"**

**dated July 26, 2019**

**1. BACKGROUND**

East Coast Energy Private Limited (hereinafter, "ECEPL", "Company", "Corporate Debtor"), was incorporated on January 19, 2007 as a special purpose vehicle for establishing coal based thermal power plant with super critical technology located near Kakarapalli village, Santhabommali Mandal, Srikakulam district, Andhra Pradesh, India ("Project"). The Project was to be implemented in two phases, with each phase constituting 1,320 MW. It was expected to generate 9,828 Million KWH annually at plant load factor of 85% for each phase. Details regarding ECEPL can be found on its website

<http://www.eastcoastenergy.co.in/LIQUIDATION.html>

The Hon'ble NCLT, Hyderabad Bench, vide its order dated 22nd April, 2019 has ordered the commencement of liquidation of East Coast Energy Private Limited and has appointed Mr. Devendra Prasad (Reg No IBBI/IPA-002/IP-N00436/2017-2018/11271) as the Liquidator of the Corporate Debtor.

Section 35 of the Insolvency and Bankruptcy Code, 2016 (the "Code"), inter-alia, empowers the Liquidator to sell the immovable and movable property and actionable claims of a company in liquidation by public auction or private contract, with power to transfer such property to any person or body corporate, or to sell the same in parcels in such manner as may be specified. Further, Chapter VI of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (the "Liquidation Regulations") read with Schedule I thereof provide for realisation of assets of a company and the mode of sale for such assets in liquidation.

Accordingly, the Liquidator does hereby invite Expressions of Interest ("EoI") from potential Applicants (*defined below*) to evince interest in the assets of Corporate Debtor. This invitation for the EoI is being made to allow the Liquidator to determine the mode of sale for realization of the assets of the Corporate Debtor and shortlist potential Applicants, and thereafter, conduct the sale of the assets of the Corporate Debtor through public auction with the short-listed Applicants as the bidders. It is expected that the Applicants acquiring the assets of the Corporate Debtor shall make an endeavour to acquire and run business of Corporate Debtor on a going concern basis. This liquidation process is for the sale of the assets of the Corporate Debtor on an as-is, where is basis.

## 2. DISCLAIMER

This invitation for EOI for acquisition of the assets of the Corporate Debtor, (hereinafter referred to as the “**Invitation**”), which expression shall be deemed to include any kind of supplementary document(s) or annexure(s) or information(s) issued, or uploaded on the website of the Corporate Debtor in pursuance/furtherance of the Invitation, has been prepared by the Liquidator of the Corporate Debtor. The Invitation does not constitute a prospectus, or an offer document or a letter of offer for sale of assets of the Corporate Debtor or an official confirmation of any transaction entered into or to be entered into by the Liquidator/Corporate Debtor. This Invitation is only an invitation for submitting EOI in response to the Invitation (such parties herein referred to as the “**Applicants**”), and purports to ascertain interest and qualifications of potential Applicants. The Invitation or the submission of an EOI pursuant to this Invitation does not create any kind of binding contract or obligation on the part of the Liquidator or the Corporate Debtor, and in particular, the Liquidator is free to cancel such Invitation, modify the process of the sale of the assets of the Corporate Debtor or the list of assets which are offered for public auction, or permit bidders who have not submitted EOI to participate in the public auction.

The information contained in the Invitation or that set out in the information sheet (“**Information**”) is substantially based on estimated information, opinions and information sourced from the Corporate Debtor, public domain and independent third parties. The Invitation does not amount to a recommendation, either expressly or implied, with respect to the Corporate Debtor, its assets or other entities mentioned in the Invitation. Except where specifically mentioned otherwise, the Liquidator has not independently verified such Information and the same is being provided by the Liquidator for on a non-reliance basis only. The Liquidator does not make any representation or warranty as to the accuracy, reliability or completeness of such information and does not assume any undertaking to supplement such Information if any further information becomes available or in light of the changing circumstances. The Liquidator shall not have any liability under any law, statute, rules or regulations for any representations or warranties (express or implied) contained in, or any omissions from this Invitation or any other written or oral communication transmitted to the recipient in the course of its evaluation of the proposed acquisition of assets of the Corporate Debtor or otherwise.

The Invitation and the Information may contain statements describing documents and agreements in summary form only, and such summaries are qualified in their entirety with reference to such documents and agreements. Some of the facts set out in the Information or this Invitation may be contested by parties in litigation; the Liquidator

does not in any manner affirm/ deny or indicate any of the Liquidator's views on these contested matters. The Liquidator expressly disclaims any and all liability, which is based on the information and statements or any part thereof contained in/ omitted from the Invitation.

The Invitation and the Information is not intended to be the basis on which interested Applicants may submit their bids. The Information has been prepared to assist interested Applicants in making their own evaluation for the purpose of submission of bids for acquiring the assets of the Corporate Debtor, and for no other purpose. The Information does not purport to be inclusive or to contain the information that a prospective investor/ entity may require/desire. The Applicants are requested to undertake their own diligence on the Corporate Debtor, and its assets.

The delivery of this Invitation at any time does not imply that the Information in it is correct as of any time after the date of Invitation, or that there has been no change in the business/ operations, financial condition, prospects, creditworthiness, status or affairs of the Corporate Debtor or any person in relation to the Corporate Debtor since that date.

The Liquidator may in absolute discretion, but without being under any obligation to do so, update, amend or supplement the Information or this Invitation. Any such update/amendment/supplement/corrigendum shall be communicated via the website of the Corporate Debtor at <http://www.eastcoastenergy.co.in/LIQUIDATION.html> and no public notice thereof shall be issued.

### **3. SUMMARY OF STEPS OF THE PROPOSED AUCTION SALE**

The proposed sale of the assets of the Corporate Debtor "**Sale Assets**" shall follow the following steps:

- (i) Invitation for EoI on the website of the Liquidator.
- (ii) Publication of EoI in the newspaper advertisements pertaining to the Invitation of EoI.
- (iii) Submission of EoI along with an affidavit verifying that the Applicant is not an ineligible Applicant under Section 29A of the Code, and other documents. (iv) Information Sheet pertaining to Sale Assets shall be provided to the Applicants.
- (v) Confirmation of eligibility of the Applicant by the Liquidator, based on the information supplied by the Applicant.
- (vi) Pre-auction formalities, such as submission of bid form by the eligible Applicants for acquiring the assets of the Corporate Debtor, furnishing of any further declaration or undertaking, as may be required.

- (vii) Conduct of auction.
- (viii) Declaration of results of auction.

#### 4. TIMELINES

The cut-off dates have been specified in the table below. The timelines shall be strictly adhered to by the Applicants. The EoI must be submitted before September 27, 2019; therefore, it is advisable that the Information Sheet may be obtained well-in advance.

Particulars	Date
Advertisement	July 26, 2019
Advertisement for extension of deadline	August 27, 2019
Submission of EoI, affirming eligibility, and seeking copies of information sheet	September 27, 2019
Shortlisting of eligible Applicants by the Liquidator	October 4, 2019
Submission of Earnest Money Deposit ("EMD"), bid form and other documents part of the pre-auction formalities as may be required	To be announced
Auction Date	To be announced

The Liquidator reserves the right to alter/extend the timelines as per the sole discretion of the Liquidator. Any information about alteration/extension of any of the timelines above shall be published on the website of the Corporate Debtor at <http://www.eastcoastenergy.co.in/LIQUIDATION.html> and no public notice thereof shall be published.

#### 5. Information Sheet

On submission of EOI in terms of the Invitation as above, the Applicants will be provided an Information Sheet, which shall contain the following details:

- (i) Description of the Corporate Debtor;
- (ii) Details of the Sale Assets of the Corporate Debtor;
- (iii) Other matters, as the Liquidator may include.

The requisition of Information Sheet shall be sent to [liquidatoreastcoast@bdo.in](mailto:liquidatoreastcoast@bdo.in). The Applicants obtaining the Information Sheet shall keep such information confidential and shall not share or distribute the Information Sheet with any other person(s), except with the prior written consent of the Liquidator. Any breach of this condition shall be deemed to be a breach of terms of conditions stated herein, and the Applicant shall be liable to indemnify the Liquidator and the Corporate Debtor for any damages.

## **6. ELIGIBILITY CRITERIA FOR APPLICANTS**

- a. The Applicant must be legally competent to enter into contracts as per the applicable laws.
- b. The Applicant must be lawfully organised and carrying business in India or having permission to carry business in India.
- c. The Applicant may be a single bidder or may be a consortium consisting of not more than 4 members. In case the Applicant is a consortium, each member of the consortium shall furnish an affidavit in terms of paragraph (d) below.
- d. The Applicant shall file an affidavit alongwith the EOI that the Applicant is not an ineligible person as per Section 29A of the Code nor does he have any contract or understanding with any such person in relation to the Sale Assets of the Corporate Debtor being acquired. The submission of such affidavit is without prejudice to the right of the Liquidator to conduct such enquiry, and seek such information, as the Liquidator may deem appropriate for ascertaining, and forming a view, on the eligibility of the Applicant in terms of Section 29A.
- e. In case the Applicant chooses to conclude the sale in favour of its nominee, the nominee shall not be an ineligible Applicant under Section 29A of the Code, and the nominee shall sign a deed of adherence, as required by the Liquidator.

## **7. TERMS AND CONDITIONS OF PROPOSED SALE**

- a. The proposed sale will be conducted as per Regulation 32 and 33 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- b. The EOI shall be sent by email at [liquidatoreastcoast@bdo.in](mailto:liquidatoreastcoast@bdo.in) with caption "EOI FOR THE ACQUISITION OF THE ASSETS OF EAST COAST ENERGY PRIVATE LIMITED-IN LIQUIDATION" by 17:00 hours, on or before 27.09.2019 along with required supporting documents as prescribed in the annexure.
- c. EOIs received upto the last date mentioned above will be evaluated for acceptance by the Liquidator. Liquidator shall have a right to seek further information or other details as may be considered appropriate. The Liquidator reserves the right to accept or reject any EOI without assigning any reason.

- d. **The EOI must contain the full address, phone number, e-mail id, if any, of the Applicant for serving notices required to be given to the Applicant in connection with the sale process.**
- e. The Applicant must not be an ineligible person as defined in Section 29A of the Code. The Applicant must, at the time of submitting the EOI, disclose full identity of the Applicant/ the person in-charge/key managerial personnel of the Applicant and an affidavit verifying that the Applicant is not an ineligible person.
- f. Only the Applicant(s) who is not ineligible shall proceed with the submission of the EOI in accordance with the Invitation.
- g. Applicant obtaining a copy of the Information Sheet will sign an undertaking in the format provided in the Form of EOI. (The same can be accessed at website <http://www.eastcoastenergy.co.in/LIQUIDATION.html>)
- h. It shall be presumed that all the facts were taken into account by the Applicants while submitting their respective EOIs. Even if the Applicant chooses not to inspect the Sale Assets, it shall be presumed that the Applicant has made himself aware of the physical condition, market value, etc., of the Sale Assets and therefore, no complaint/ claim against the same shall be entertained in this regard by the Liquidator of the Corporate Debtor after the submission of the EOI.
- i. The Liquidator shall endeavour to provide all the necessary information/ document, as available with him. However, the Liquidator shall not be held liable for any information/ document not available with him.
- j. The Applicant shall apply its own discretion while participating in the auction process, and shall not in any manner, during or after the conduct of the auction process, cite reasons such as non- availability of information/ document for non-fulfilment of the obligations or any of the terms stipulated in the Invitation or the auction process.
- k. The Applicants should thoroughly satisfy themselves about the nature, conditions and quality of the Sale Assets. The Liquidator of the Corporate Debtor gives no guarantee or warranty as to the title of any of the Sale Assets or the conditions of any of the Sale Assets/ material or/ its quality for any specific purpose or use. It should be clearly understood that no claim/ complaint about the quality /conditions /fitness for use will be entertained by the Liquidator of the Corporate Debtor.

- l. The Applicant is required to register its name at the e-auction platform and get user ID and password free of cost and get training/ on-line training on electronic auction, whereupon it would be allowed to participate in the auction sale.
- m. As a pre-requisite for submission of a bid for acquiring the assets of the Corporate Debtor, the eligible Applicant has to deposit the earnest money deposit (“EMD”) at the rate of **5% of reserve price** of the Sale Assets of the Corporate Debtor, calculated in accordance with Regulation 35 of the Liquidation Regulations, in respect of which EOI has been submitted, by RTGS/NEFT/Funds Transfer/Bank Guarantee in favour of “East Coast Energy Pvt. Ltd.- in Liquidation” to the credit of Account No.: 38464002861, State Bank of India, Isamia Bazar Branch, IFSC Code- SBIN0005895 or by Demand Draft/Pay Order in favour of “East Coast Energy Pvt. Ltd.- in Liquidation”.
- n. The interested Applicants shall pay the EMD, as provided in the above paragraph, for participating in the auction process. The EMD by the successful Applicant against the accepted bid shall be adjusted towards sale price.
- o. The Applicant shall submit the bid form through the e-auction platform only in the format prescribed along with a scanned copy of the Applicant’s Identity Proof and PAN Card.
- p. The date and time for bidding will be intimated to the eligible Applicants at least 10 (Ten) days prior to the scheduled auction date.
- q. The submission of bid/ EOI shall mean and imply that the Applicant has unconditionally and irrevocably agreed to and accepted all the terms and conditions laid down herein.
- r. Bids once submitted cannot be withdrawn or revised.
- s. The Liquidator reserves the right to accept or reject any/ or all the bids or adjourn, postpone or cancel the proposed auction sale anytime without assigning any reason thereon. Any notice of such adjournment/ postponement/ cancellation of the auction sale shall be published at webpage <http://www.eastcoastenergy.co.in/LIQUIDATION.html> and public notice thereof may not be published.
- t. The Applicant who submits the highest bid shall be declared successful bidder. The Liquidator shall issue Letter of Acceptance of Offer to the successful bidder.

- u. Letter of Acceptance of Offer *per se* does not confirm sale in favour of the Applicant making the highest bid. Confirmation of sale is subject to the fulfilment of conditions stated hereunder as also those stated in the 'Letter of Acceptance of Offer' and approval of the Liquidator.
- v. The successful Applicant shall have to deposit 10% (Ten percent) of the sale price, within 7 working days of the acceptance of the Letter of Acceptance of Offer by the Liquidator and the balance 90% (Ninety percent) of sale price shall be paid on or before 90th day of issuing Letter of Acceptance or as decided by the Liquidator.
- w. The EMD by the successful bidder, against accepted bid, shall be adjusted towards the amount required to be deposited under paragraph above. However, in case the EMD was furnished by way of bank guarantee, the successful bidder shall furnish the 10% consideration (without considering the value of bank guarantee), upon which the bank guarantee shall stand retired.
- x. In the event of default of payment within the stipulated period, as mentioned above, or failure to complete the transaction with the timeline specified for any reason whatsoever, or failure to fulfil any/all terms or conditions as imposed upon the Applicant, any amount already paid by such Applicant, including but not limited to the EMD, shall be forfeited and the Sale Assets shall forthwith be sold again and such defaulting Applicant shall also forfeit all claims on the Sale Assets or to any part of the amount for which it may be subsequently sold.
- y. The EMDs of the unsuccessful Applicants shall be refunded within 7 (Seven) working days from the last date mentioned above, or rejection of an EOI for any other reason. However, the Liquidator may retain EMD of the top 2 (Two) Applicants for up to 15 (Fifteen) days from the date of opening of the auction process, in order to consider the bid submitted by the second highest Applicant, in the event the successful Applicant fails to pay the bid amount within the stipulated period.
- z. The seller being the Liquidator, appointed by the NCLT, selling the Sale Assets during the liquidation of the Corporate Debtor, will not give any warranty or indemnity of any kind whatsoever.
- aa. The auction process, that shall be organized by the Liquidator, shall be for the purpose of price discovery for the intended sale of the Sale Assets, which, based on the price so discovered, is intended to be sold/transferred by way of a further



agreement for sale, and a sale certificate, in the manner as provided by applicable law.

- bb. The conclusion of the auction shall not amount to an assurance on the part of the Liquidator as to conclusion of the sale, or any other assurance at all. The successful conclusion of the auction shall not, by itself result into any rights on the part of the bidder against the Liquidator in any manner.
- cc. The Liquidator shall not in any manner be responsible for any delay, suspension, deferment, or cancellation of the auction or the subsequent sale of the Sale Assets for any reason whatsoever, including but not limited to any legal proceeding, order or direction of any authority, or any other reasons.
- dd. On payment of the full sale consideration by the successful Applicant, the Liquidator shall execute a certificate of sale to transfer the Sale Assets to the successful Applicant. All expenses for de-commission, removal or transport shall be to the account of such Applicant. The sale will be effected strictly on as-is-where-is basis.
- ee. Before issuance of a certificate of sale, there shall be an agreement for sale.
- ff. On full and final payment of the sale price by the successful bidder and confirmation of sale by the Liquidator, the Liquidator shall execute a certificate of sale with respect to the Sale Assets in favour of the successful bidder.
- gg. The successful Applicant will be required to bear all the necessary expenses for transfer of Sale Assets in his/her/its name, including any stamp duty and registration costs in respect of the same. It is expressly stipulated that there are no implied obligations on the part of the Liquidator and it shall be solely the obligation of the Applicant, at his/her cost, to do all acts, things and deeds whatsoever for the completion of the sale. The Liquidator does not take any responsibility to provide information on the same.
- hh. The Liquidator reserves the right to impose penalty, where an Applicant interrupts/ disrupts/ attempts to delay or jeopardise the process of auction in any manner, whether wilfully, negligently or otherwise.

The Liquidator shall not be responsible for any technical fault in the auction process or where any bidder, who inspite of being present during the auction, fails to tender bid for any technical glitch, etc. Presence of an Applicant during the auction is sufficient evidence of his capability to tender bid during the

auction period. In the event of any technical difficulties faced by the bidder, the bidder shall forthwith contact the representative of the e-auction service provider and drop an e-mail at [liquidatoreastcoast@bdo.in](mailto:liquidatoreastcoast@bdo.in). In the event no complaint is made during the time period of the auction, it shall be deemed that the bidder did not face any difficulty during the auction and the non-participation of the bidder in the auction was due to his lack of want to increase the bid.

- ii. Any taxes that may be arising out of the present transactions shall also be payable by the acquirer.
- jj. Any adverse change in a material fact/ information about any Applicant/ ultimate acquirer which may affect its capacity to participate in the proposed sale in the opinion of the Liquidator, shall disqualify the Applicant/ ultimate acquirer from participating further in the proposed sale. In such an event, if the ultimate acquirer has already been identified, any amount paid by such Applicant shall be forfeited without providing any notice or intimation to the Applicant.
- kk. Where the sale is deferred or stayed for any reason, including but not limited to litigation, etc., no interest is payable on the monies received from the bidder and the Liquidator's liability shall be restricted to make refund of the monies received from the bidder, subject to the directions of NCLT.
- ll. The Invitation is valid till the last date for submission of EOIs, or such dates as may be extended by the Liquidator from time to time. In case no EOI is received within the period or the extended period, as the case may be, or in case no bidder participates in the proposed auction, the auction shall be deemed to have failed, without prejudice to the rights of the Liquidator to proceed with a subsequent sale.
- mm. The Liquidator reserves the right to impose such further terms and conditions different from the terms already specified herein and the same will be binding on all the parties concerned.

#### **8. Visit to Power Plant and Inspection of Sale Assets of the Corporate Debtor**

- a) Only Eligible Applicants may, prior to submitting their bids, but only after obtaining Information Sheet from the Liquidator, shall visit the power plant and inspect the Sale Assets of the Corporate Debtor from Monday to Saturday by taking prior appointment of the persons designated by the Liquidator. The

details of the concerned designated persons shall be provided in the Information Sheet.

- b) For further clarification, if any, please contact office of the Liquidator at [liquidatoreastcoast@bdo.in](mailto:liquidatoreastcoast@bdo.in).

*Note: The Liquidator has the right to modify or cancel the process and/or disqualify any interested party without assigning any reason and without any liability.*

Sd/-

**Devendra Prasad**  
**Liquidator for East Coast Energy Private Limited**  
**Registration No. IBBI/IPA-002/IP-N00436/2017-2018/11271**