

**DETAILED INVITATION FOR EXPRESSION OF INTEREST FOR SUBMISSION OF RESOLUTION PLAN IN CASE
OF M/S SHANTHA PROJECTS LTD (PURSUANT TO FORM-G PUBLISHED ON 20-01-2019)**

UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS

M/s Shantha Projects Ltd was Incorporated on 2nd jan 2009 it was classified as non-government company and registered at Registrar Of Companies Bangalore. Pursuant to the Order dated 10-10-2018 in Cp No. CP/IB/69(BB)2018 the Hon'ble NCLT Bangalore Bench, corporate insolvency resolution process has been initiated with regard to the said corporate debtor under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") and undersigned has been appointed as Interim Resolution Professional. The Committee of Creditors ("CoC") in exercise of its power under section 22(3) of the IBC, approved the appointment of the undersigned as the Resolution Professional ("RP") of the corporate Debtor on 27th November 2018 and the Hon'ble NCLT Bangalore The order dated 03-12-2018 has confirmed the same.

Details of M/s Shantha projects Ltd

Management

The Management was comprised in Board of Directors, details of which are as follows (powers of board of director's suspended w.e.f. 10-10-2018 on the beginning of Corporate insolvency Resolution Process on admission of the insolvency petition by NCLT, Bangalore vide its order dated 10-10-2018)

Resolution Plan is invited under section 25(2)(h) of the IBC and Regulation 36 A of the IBBI (Insolvency Resolution Process for corporate Persons) Regulations, 2016, from the prospective investors, lenders and other persons for M/s Shantha Projects Ltd. considering it as investment/business opportunity.

1. A brief on business & background & Reasons for Present state of affairs:

The Company was established for the purpose of setting up a 10MW Thermal Power Plant. The trial run of the plant was started in the Oct 2013 and was run for a short period of three and half months cumulatively. However the Company Is defunct since 2014. The Company's Registered office is located at S9/A first floor Shantha skyline apartment adjacent to KPTCL, M J Nagar Hospet Karnataka 583203. The factory is located at Sy No.16,17/117/2 of Kenchanadoni Village, Hirakalagada Hobli, Kukanapalli Post, Koppala Tq ,& Dist 583228 which is about 34KMs from Hospet Bellary Dist.

The SBI is the only Financial Creditors who has submitted the Claim for Rs.68.58Cr.

A. Eligibility Criteria as approved by the Committee of creditors (CoC) u/s 25(2)(h) of the Code

Minimum Eligibility Criteria for resolution applicants (Singly, Jointly or in consortium) to approach the Resolution Professional (“RP”) with Resolution plan is: -

- For Body Corporates : Minimum Net worth of INR 20 crores supported by Documentary Evidence.
- For Funds/PE Investors/Financial Institutions: Minimum Assets under Management or Funds Deployed or Committed funds available for investment of INR 100 crores as on 31.03.2018 supported by Documentary Evidence
- For Individuals: Singly or Jointly, (of not more than 3 persons) with aggregate net worth : of not less than 10 Crores , supported by documentary proof.

The PRAs must submit the following undertakings/ documents in this regard

- i. the complete documents evidencing the above eligibility criteria. The documents may include the latest audited financial statements (Balance sheet & Profit & loss account), CA certified net worth statement accompanied by the proof of ownership of the properties / assets & liabilities mentioned therein along-with the relevant valuation report from registered valuer.
- ii. An undertaking that it meets the eligibility criteria set by the CoC.

The documents may be email to beepeeyou@gmail.com, send by the speed post / registered post or in person.

Ineligibility norms u/s 29A of the Code

The PRAs must submit the following undertakings/ documents in this regard

- i. An undertaking that it does not suffer from any ineligibility under Sec 29A of the Code.
- ii. An undertaking that it shall intimate the Resolution Professional forthwith if it becomes ineligible at any time during the corporate insolvency resolution process.
- iii. Relevant information and records to enable an assessment of ineligibility as mentioned below. The documents may include the KYCs of all the PRAs & their connected parties, KYCs of all partner / director / Key managerial persons of the PRAs / connected parties, Complete details of subsidiaries / associates / affiliates companies or firms or any other business concern, details of the companies or firms or any other business interest outside India, the passports, if any, besides the Indian passport etc. The PRAs must also submit the detailed family tree of each of the member / director/ partner. The directors, if any, must disclose the companies in which they are directors / have been directors in last two years or hold beneficial interest / controlling interest in any company / firm / trust / any other business interest in India or outside India. The Resolution Professional / CoC reserves the right to call for any information documents pertaining to PRAs which it may deem necessary

As per Sec 29A, 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 nonperforming asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) 3 [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 nonperforming 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 favors 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 Organization 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 Securitization 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.]

B. Timelines

- Date of publication of form G is 20th January 2019
- Date of issue of this detailed invitation for expression of interest is 20th January 2019.
- The Last date for submission of EOI is 11th Feb 2019.
- Date of issue of provisional list of prospective resolution applicants is 15th Feb 2019.
- Last date for submission of objections to provisional list is 20th Feb 2019
- Date of issue of final list of prospective resolution applicants is 28th Feb 2019
- Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants is 20th Feb 2019
- Last date for submission of Resolution Plan 23.03.2019

Please note that the expression of interests (EOIs) shall reach the undersigned latest by 6:00 pm of 11th Feb 2019. The EOIs received after the stipulated time would not be considered.

C. Other documents / undertaking

The PRAs must also submit the following documents / undertakings

- i. An undertaking that every information and records provided in the expression of interest is true and correct and discovery of any false information or record at any time will render the applicant ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code.
- ii. An undertaking to the effect that it shall 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 29(2).

D. Other Terms

- i. The EOIs must be unconditional. The conditional EOIs will not be considered.
- ii. The Resolution professional reserves the right to call for any clarification or additional information or document from the PRAs for conducting the due diligence.

- iii. The Resolution may avail the services of the professional agencies for conducting the due diligence and the PRAs must cooperate with them for the same.
- iv. The Resolution Professional (RP) may extend the last date for submission of EOIs and the decision of the RP in this regard will be final and binding on all.
- v. Post closure of the window for submission of the EOIs, the Resolution professional shall issue a provisional list of eligible PRAs within ten days of the last date of the submission of the EOIs to the committee of creditors and to all PRAs who submitted the EOI.
- vi. Any objection to inclusion or exclusion of a PRA in the provisional list may be made with supporting documents within five days from date of issue of provisional list.
- vii. On considering the objections received as above, the Resolution Professional shall issue the final list of PRAs within ten days of the last date of receipt of objections, to the CoC.
- viii. Post issue of the final list, a request for Resolution plan will be issued along with the Information Memorandum and Evaluation Matrix.

Any developments/updates pertaining to process including Evaluation Matrix will be updated in website.i.e www.arck.in or can also be sought from the undersigned mailing at beepeeyou@gmail.com

For submitting Resolution Plan or for any clarification with regard to inspection, terms and conditions and other details, please write to-

NAME: B PARAMESHWARA UDPA
Resolution Profession – M/s Shantha Projects Ltd

Registered Detail with IBBI

Reg No: IBBI/IPA-002/IP-N00480/2017/2018/11445

Add (For Correspondence) : 827/7, 8TH A MAIN 4TH BLOCK BEL LATOUT
VIDYARANYAPURA BANGALORE 560097

E- Mail: beepeeyou@gmail.com