

**DETAILED INVITATION FOR EXPRESSION OF INTEREST
FOR SUBMISSION OF RESOLUTION PLAN
CORPORATE DEBTOR: M/s APEX BUILDSYS LTD.
(Part of Form G published on 18.04-2019)
(Under Corporate Insolvency Resolution Process)**

A. Brief About the Corporate Debtor:

M/s Apex Buildsys Limited (hereinafter referred to as “Corporate Debtor” or “Company”) is an established name in the Pre-engineered Buildings and heavy Fabrication industry. It had earlier been known as Era Metal Building Systems Ltd, Era Building Systems Ltd and Era Buildsys Ltd. It is basically an ERA group company and is primarily engaged in the business of Design, Engineering, Fabrication and Erection of pre-engineered metal building structures (PEBs) and colour-coated sheets. The company has of late started concentrating more on heavy fabrication jobs, i.e., manufacturing the heavy iron / steel structural components used in roads, bridges & flyovers, buildings, manufacturing plants etc. Initially the company operated as an ancillary to its promoters’ group companies but at present the company derives its major revenues from the parties outside the group. The company counts Shapoorji Pallonji Constructions, Tata Projects, Delhi Metro, Kochi Metro, Larsen & Toubro, Alstom group etc as its clients. Due to working capital constraints, the company at present has mainly been executing the job work assignments. The main manufacturing facility located at Nagpur is capable of executing other related assignments also. It is a public listed company, shares being listed on the Bombay Stock Exchange (Trading suspended since 25th Feb. 2016)

Pursuant to the order of Hon’ble National Company Law Tribunal, New Delhi Bench, New Delhi (“NCLT”) dated 20-09-2018, 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 had been appointed as Interim Resolution Professional. The Committee of Creditors (“CoC”) in exercise of its power under section 22(2) of the IBC, approved the appointment of the undersigned as the Resolution Professional (“RP”) of the corporate Debtor in its first meeting held on 17-10-2018.

Expression of Interest (EOI) for submission of 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 (“CIRP Regulations”), from the prospective investors, lenders and other persons for M/s Apex Buildsys Limited considering it an investment/business opportunity.

Manufacturing facilities, Installed capacity & Financials-

- The company's registered office is located at Shop no 7, B-292, Chandra Kanta Complex, New Ashok Nagar, Delhi 110096. It has two manufacturing and processing plants located at-
 - Plot no. D-3 in the Umred Industrial Area, within the village limits of Belgaon and Kunbhari, outside Municipal limits, Chandrapur Road, Taluka Umred and District Nagpur, Maharashtra. (Operational) spread over an area of 2,56,473. Sq. mtrs. Current installed capacity - Approx. 1,20,000 MT per annum. The plant is operating at sub optimal capacity of 18000-20000 tonnes per annum at present.
 - Plot no 11, Sector-9, IIE Pantnagar, Rudrapur, Uddham Singh Nagar, Uttarakhanad, (activity ceased since January 2017 thereat), Land area - 65,201.42 sq. mtrs; Installed capacity - 50,000 MT per annum
- The revenues & profit (losses) for last 4 years is as follows:

(Amount in Rs.
Lakhs)

| S. No | Particulars | FY 2014-15 (Audited) | FY 2015-16 (Audited) | FY 2016-17 (Audited) | FY 2017-18 (Audited) |
|-------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| I. | Revenue from operations | 18,554.38 | 9,081.68 | 9,930.21 | 6,759.12 |
| | Other income | 51.49 | 96.57 | 84.29 | 105.11 |
| ii. | Total income | 18,605.87 | 9,178.25 | 10,014.50 | 6,864.23 |
| | Profit / loss from continuing operations | -7,532.52 | -11,495.88 | 5,385.22 | -6,954.12 |

Peak level performance:

FY 2012-13: Revenue- Rs. 47759 lakhs; Net Profit – Rs. 1321 lakhs

The claims of the financial creditors as admitted are for INR 444.18 crores

B. Eligibility Criteria as approved by the Committee of Creditors (CoC)
u/s 25(2)(h) of IBC

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

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For Body Corporates and Other Persons:

- 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 300 crores as on 31.03.2018.

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

- i. Relevant records and documents in evidence of meeting 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 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 emailed to insolvency@arck.in or sent by the speed post / registered post or in person at the corporate office of the undersigned.

C. Ineligibility norms u/s 29A of IBC

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 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) 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 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 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 registered 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.

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 above. The documents may include the KYCs of all the PRAs & their connected parties, KYCs of all partners / directors / Key managerial persons of the PRAs / connected parties, complete details of subsidiaries / associates / affiliate companies or firms or any other business concern, details of the companies or firms or any other business interest outside India, 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/partners must disclose the companies/firms in which they are directors / partners/have been directors/partners 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 additional information/ documents pertaining to PRAs which it may deem necessary

D. Timelines

| S. No | Particulars of Events | Dates |
|--------------|--|-----------------------------|
| 1 | Date of publication of form G | 18 th April 2019 |
| 2 | Date of issue of this detailed invitation for expression of interest | 18 th April 2019 |
| 3 | Last date for submission of EOI | 3 rd May 2019 |
| 4 | Date of issue of provisional list of prospective resolution applicants | 6 th May 2019 |
| 5 | Last date for submission of objections to provisional list | 11 th May 2019 |
| 6 | Date of issue of final list of prospective resolution applicants | 16 th May 2019 |
| 7 | Date of issue of Information Memorandum, Evaluation Matrix and Request for Resolution Plans to prospective resolution applicants | 11 th May 2019 |
| 8. | Last Date for submission of Resolution Plan | 11 th June 2019 |

Please note that the expression of interest (EOI) should reach the undersigned latest by 7:00 pm of 3rd May 2019. The EOIs received after the stipulated time/date would not be considered.

E. Other documents / undertaking

The PRAs must also submit the following documents / undertakings alongwith their EOI-

- 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).

F. Other Terms

- i. The EOI must be unconditional. The conditional EOI will not be considered.
- ii. The Resolution professional reserves the right to call for any clarification or additional information or documents from the PRAs for conducting the due diligence. The Resolution Professional may avail the services of the professional agencies for conducting the due diligence and the PRAs must cooperate with them for the same.
- iii. The Resolution Professional (RP) may invite fresh EOI for submission of resolution plans by cancelling existing EOI or after expiry of last date for submission of EOI, in consultation with CoC and the decision of the RP in this regard will be final and binding on all.
- iv. Post closure of the window for submission of the EOIs, the Resolution professional shall issue a provisional list of eligible PRAs on 6th May, 2019 to the committee of creditors and to all PRAs who submitted the EOI.
- v. 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.
- vi. On considering the objections received, as above, the Resolution Professional shall issue the final list of PRAs maximum within ten days of the last date of receipt of objections, to the CoC.
- vii. Within 5 days of issue of the provisional list, a Request for Resolution plan (RFRP) will be issued along with the Information Memorandum and Evaluation Matrix to every PRA in the provisional list and every PRA who has contested the decision of RP against its non-inclusion in the provisional list.

Any developments/updates pertaining to the process including Evaluation Matrix will be updated on the website i.e. www.arck.in

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

Gian Chand Narang, Resolution professional- M/s Apex Buildsys Limited
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