

INVITATION FOR EXPRESSIONS OF INTEREST – SEEKING SUBSTANTIAL INVESTMENT IN HDO TECHNOLOGIES LIMITED (HDOTL)

1. BACKGROUND:

Mr. Amit Gupta (Reg. No. IBBI/IPA-001/IP-P00016/2016-17/10040), in his capacity as the Resolution Professional appointed for HDOTL (by the order of NCLT, Mumbai Bench in respect of Company Petition No 720/I&BP/NCLT/MAH 2017), on behalf of HDOTL and its duly constituted Committee of Creditors (COC), proposes to undertake Change in Ownership of the company, as decided by the members of Committee of Creditors vide its meeting held on Tuesday, 4th July, 2017, in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. The Resolution Professional hereby invites Expression of Interest from potential Investors.

HDOTL is a wholly owned subsidiary of Hindustan Dorr Oliver Limited (HDOL), which has manufacturing facility at GIDC, Vatva in Ahmedabad, Gujarat for fabricated process plant equipment, specifically for Oil and Gas, Fertilizer, Refinery, Petrochemical, Thermal Power, Solar Power Plant & Nuclear Power sector. Product range of the Company comprises of both ASME Coded and Proprietary equipment.

HDOTL is under financial distress and currently undergoing a Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (Code) w.e.f. 28.04.2017

2. INVITATION FOR POTENTIAL INVESTORS:

Mr. Amit Gupta, Resolution Professional invites Expressions of Interest from interested parties who fulfil eligibility criteria and who may be willing to acquire a minimum of 51% (fifty one percent) equity shareholding and management control in the Company.

Preference would be given to the bidders who are interested to invest in HDOL and its Wholly Owned Subsidiary HDO Technologies Limited (HDOTL) and demonstrate ability to deposit Rs 10,00,00,000 (Rupees Ten Crores) in the escrow account. HDOL is also in financial distress and currently undergoing a Corporate Insolvency Resolution Process (CIRP) under the provisions of the Code w.e.f. 21.04.2017

3. SUBMISSION OF EOI:

- a. Expression of Interest (EOI) is invited in a sealed envelope superscripted as <Expression of Interest for Investment in HDOTL>, in the format as set out in Annexure 'A' hereto.
- b. Applicants should meet the Eligibility Criteria as set out as Annexure 'B'.
- c. Applicants shall submit the EOI along with the supporting documents set out as Annexure 'C' and the details of the Applicant set out as Annexure 'D'.
- d. Applicant shall submit the sealed envelope 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:
Mr. Amit Gupta, Resolution Professional
HDO Technologies Limited
Dorr Oliver House, Link Road, Chakala,
Andheri East, Mumbai – 400099.

- e. A soft copy of EOI along with annexures stated above should be mailed to irp.hdo@gmail.com

4. LAST DATE OF SUBMISSION OF EOI:

The last date for submission of EOI is 31st July, 2017 up to 5.00 P.M. 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 bidders will be shared the Information Memorandum, prepared as per provisions of the Code, after signing of Non-Disclosure Agreement.

Such shortlisted Bidders will be given 15 days timelines to carry out due-diligence and submit Resolution Plan as per provisions of the Code.

Note

- 1) COC 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 the website at www.hdo.in to keep themselves updated regarding clarifications/ amendments/ time-extensions, if any.
- 2) COC/ Resolution Professional reserve the right to withdraw EOI and change or vary any part thereof at any stage and also reserve the right to disqualify any potential bidder, should it be so necessary at any stage.
- 3) No oral conversations or agreements with the Resolution Professional or any official, agent or employee of the Resolution Professional, the Company or any member of the COC shall affect or modify any terms of this EOI.
- 4) Neither the bidder nor any of the bidder's representatives shall have any claims whatsoever against the Resolution Professional 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 bidder 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.
- 6) Criteria for Qualification- Financial Proposals of only those interested parties who meet the eligibility criteria (Business and Financial) specified in Annexure – B at www.hdo.in will be considered. EOIs which do not meet the criteria shall be rejected.

“ANNEXURE – A”

FORMAT FOR EXPRESSION OF INTEREST FOR INVESTMENT IN HDO TECHNOLOGIES LIMITED

Date: _____

To,
Mr Amit Gupta, Resolution Professional
(Appointed by the Committee of Creditors of HDO Technologies Limited)

Subject: Expression of Interest (“**EOI**”) for Investment in HDO Technologies Limited (HDOTL)

Dear Sir/Madam,

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 Investment in HDOTL, we hereby submit our EOI.

We have attached necessary information requested in the format for EOI published on the website at www.hdo.in. 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 pre-qualify for the above-mentioned proposal.

We however, understand that Amit Gupta, Resolution Professional 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 our investment in HDOTL 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 the firm/company/organization:

Signature: _____

Name of signatory:
Designation:
Company Seal/stamp

Enclosures: (Annexures)

“ANNEXURE – B”

ELIGIBILITY CRITERIA FOR QUALIFICATION

1. ELIGIBILITY CRITERIA

Financial Proposals of only those proposed investors/bidders who meet the qualifying criteria (business and financial) specified below in this Expression of Interest will be considered. EOIs which do not meet these criteria shall be rejected.

The Proposed Investors’ competence and capability is proposed to be established by the following parameters:

- a. Business Capacity; and
- b. Financial Capacity

a. **Business Capacity Evaluation Criteria:**

Turnover: The bidder is required to have a turnover of at least Rs 500,00,00,000 (Rupees Five Hundred Crores) or more as per the last available audited financial statements. This condition shall be relaxed for any Financial Investors.

Note: *Turnover shall mean either gross income or gross revenue.*

While providing the information and numbers for the turnover criteria, standalone turnover (i.e. gross income or gross revenue) along with the consolidated number with that of the promoter/ promoter group and/ or any of the group entities may be provided based on audited financial statements of preceding 3 (three) financial years of the Investor and such entities.

b. **Financial Capacity Evaluation Criteria:**

Demonstration of ability to infuse funds

The bidder must demonstrate its ability to infuse at least Rs. 100,00,00,000 (Rupees One Hundred Crores) or more into HDOTL and/or HDOL as equity capital or promoter long term loans (qualifying as debt instruments) at a minimum rate of interest subordinated to the loans of the lenders, to the satisfaction of the COC by providing requisite supporting documents that showcase availability of funds with the bidder.

For the purpose of demonstration of availability of funds, the supporting documents of the bidder and /or its promoter/promoter group and any other group company can be used.

Exchange Rate

For the purpose of evaluation of the EOI, the exchange rate to be used for conversion into INR (Indian Rupees) shall be RBI Reference rate on the closing working day that precedes the date of the EOI.

“ANNEXURE – C”

SUPPORTING DOCUMENTS TO BE ATTACHED WITH EOI

- (a) Profile of the Potential Investor / Bidder
- (b) **Legal Documents:** Copies of Certificate of Registration and Constitutional Documents of the Potential Investor/ Bidder
- (c) **For Turnover:** Immediately preceding 3 (three) years’ audited financial results of the Potential Investor and/or its promoter/promoter group or any other group company as per the qualification criteria
- (d) **For Demonstration of funds availability:** Relevant statement of funds availability of the Potential Investor and/or promoter/promoter group or any other group company, as per the prescribed qualification criteria.
- (e) A notarized declaration from the bidder in order to demonstrate that the promoter/promoter group or any other group company are part of the same group, in case the interested party is using such entities for meeting the qualification criteria. Please note that the bidder shall provide all relevant documents for its promoter/promoter group or any other group company, if required to meet the qualification criteria.

“ANNEXURE – ‘D’

DETAILS OF THE POTENTIAL INVESTOR / BIDDER

1.1 Name and address

Name of the Bidder:

Address:

Telephone No:

Fax:

Email:

1.2 Date of establishment of Bidder / Promoter Group:

1.3 Core area of expertise of the Bidder / Investor:

1.4 Contact Person:

Name:

Designation:

Telephone No:

Email:

1.5 PAN No. or equivalent details of Investor