

EOI Document

Brief Background

The Company is primarily engaged in the business of fabricating vehicle bodies for Original Equipment Manufacturers (OEMs) in the Commercial Vehicle (CV) industry. The Company is listed on the BSE and NSE.

The Company has manufacturing units across Jabalpur, Mandla, Indore and Jamshedpur.

The Company also has a wagon manufacturing facility at Deori in MP which was commissioned in 2011.

Past Financials

Particulars	(Rs. Crores)					
	FY13	FY14	FY15	FY16	FY17	9MFY18
Net Revenue	502.90	138.86	118.44	108.16	105.97	60.17
Net Profit/(Loss)	18.51	(70.43)	(102.55)	(104.76)	(33.05)	(25.00)

- Company has total net fixed assets of approximately Rs. 150 Crores as of 31st March 2017
- As of 30th June 2017, the total dues (fund based) to the Lenders are approximately Rs. 170 Crores
- Company's net worth was Rs. (21.19) Crores as of 31st March 2017

Current Status

- A Lender is contemplating search of a new investor and undertake change of ownership in line with the RBI circular dated Feb 12, 2018
- Change of ownership to be affected through invocation of pledge held by Lenders. Lenders have pledge of approximately 55% shares of the Company.
- Lead Bank has appointed Desai Saksena & Associates (hereinafter mentioned as "DSA") as advisor for conducting the bid process.

Bidding Process

A two stage bidding process will be implemented as set out below:

- Stage I - Expression of Interest (EOI)
- Stage II - Competitive bidding process with invitation of proposals from bidders based on the Expressions of Interest submitted under Stage I above.

Relevant Timelines

- Interested parties may submit their EOI, in the prescribed format (as per the annexure), along with supporting documents, **latest by 1800 hrs Indian Standard Time on 29 May, 2018** by hand delivery/courier to Ms. Priya Talreja, Desai, Saksena and Associates, Laxmi Building, First Floor, Sir P. M. Road, Fort, Mumbai - 400 001 or alternatively through email at priya@dsaca.co.in .
- Interested parties will be informed whether their EOIs are accepted or rejected on 30th May, 2018.
- Interested parties would also be required to contact DSA and shall be required to submit a Demand draft/ RTGS for INR 2,00,000 only (Rs. Two Lakhs) which is refundable (on submission of a bid), following which, they shall be provided the name of the Company. The Demand Draft (DD) should be drawn in favour of “Desai Saksena and Associates” payable at Mumbai, India.
- The shortlisted parties shall be provided the bid document post the signing of NDA (Non-Disclosure Agreement).
- Post due diligence, Final bid should be submitted by 13th June 2018.
- Lender shall have the discretionary right to modify the above mentioned timelines. In the event of any such modification, DSA shall issue applicable corrigendum and upload the same on its website www.dsaca.co.in .

Eligibility/ Prequalification criteria for bidding

EOIs of only those interested parties who meet the qualifying criteria specified in subsequent section herein will be eligible. The interested party's competence and capability is proposed to be established by the following parameters:

- The bidder submitting the bid should be qualified to bid under applicable laws/regulations & guidelines of statutory/regulatory/governmental authorities.
- Investor can either be a Strategic Investor or Financial Investor jointly with Strategic Investor
- Strategic Investor to meet the following criteria:-
 - Should have experience in manufacturing of railway wagons in India and in the auto-ancillary industry. For the purpose of experience, experience of shareholders/partners will also be considered
 - Should have a net worth of at least Rs. 100 Crores based on the last available audited financial statement, of the interested party.
- Financial Investor to meet the following criteria:-
 - Should bid in collaboration with a Strategic Investor meeting the above mentioned criteria
 - Should have assets under management of at least Rs. 1000 Cr.

[On the Letterhead of the Entity Submitting the EOI]

Expression of Interest

Date: _____

To,

Ms. Priya Talreja,
Desai Saksena and Associates,
Laxmi Building, First Floor,
Sir P. M. Road, Fort,
Mumbai – 400 001.

Subject: Expression of Interest (“EOI”) – for acquiring stake in an entity in the auto ancillary and railway wagon sector so as to be the single largest shareholder in the Company (minimum 26%)

Dear Madam,

1. In response to the advertisement in [Insert the names of the newspaper] dated [•] inviting expressions of interest as captioned above (“Advertisement”), we hereby submit our EOI for the acquisition of majority equity holding of the Company.
2. We have also set out the following:
 - a. Information required in the format prescribed in the Advertisement as an Annexure to this EOI;
 - b. The qualification certificate substantially in the format prescribed by you (“Qualification Certificate”); and
3. The information furnished by us in this EOI, the Annexure and the Qualification Certificate is true, correct, complete, and accurate.
4. Further, we acknowledge that:

- a. The EOI will be evaluated by the lender(s) to the Company (“Lender”) with assistance from Desai Saksena & Associates based on the information provided by us in the Annexure and the Qualification Certificate to determine whether we qualify to submit a bid for the proposed transaction.
- b. The Lender(s) and Desai Saksena & Associates reserve the right to determine whether or not we qualify for the submission of the proposal and may reject the EOI submitted by us without assigning any reason whatsoever and without any liability to the Lenders or Desai Saksena & Associates;
- c. The Lender(s) and Desai Saksena & Associates reserve the right to request for additional information from us for the purposes of evaluating the EOI.

Sincerely yours,

On behalf of [Insert the name of the entity submitting the EoI]

Signature: _____

Name of Signatory:

Designation:

Company Seal/Stamp

Note: The person signing the EOI and other supporting documents should be an authorized signatory supported by necessary board resolutions of the interested party

Annexure

1. Name and Address:
 - a. Name of the Firm/Company/Organization:
 - b. PAN Card:
 - c. Address:
 - d. Telephone No:
 - e. Fax:
 - f. Email:
2. Date of Establishment:
3. Core Area of Expertise (Of Investor and Shareholder/Partner, if any):
4. Contact Person:
 - a. Name:
 - b. Designation:
 - c. Telephone No:
 - d. Email:
5. 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 3 (three) years of immediately preceding completed financial year. Where the entity submitting the EOI is a financial investor / fund entity, please provide details pertaining to “assets under management” for the preceding five years or the committed funds available as on March 31, 2017, for investment.]
 - b. Experience of the Company and shareholder/partner in both auto ancillary and railway wagon industry:
 - c. History if any, of the Company or affiliates of the Company being declared a ‘willful defaulter’, ‘non-cooperative borrower’, ‘non-impaired asset’ or ‘non-performing asset’.

(On the Letterhead of the Bank/ Entity Issuing the Certificate)

Private & Confidential

Ref no: [Insert reference number]

Date:

To, -----

Attn: -----

QUALIFICATION CERTIFICATE

We the [insert name of the issuing entity] do hereby certify that [insert name of the relevant entity] incorporated in [insert jurisdiction of incorporation of entity] having their Registered office at [insert registered address of the entity] (“Initial, if any”) are meeting the qualification criteria as required for submission of EOI vide advertisement dated ----- as disclosed by the information and records with us.

It is further notified that this certificate is being issued at the request of the [insert registered address of the entity] without attaching any risk and responsibility to us in any respect whatsoever whether as guarantor or otherwise.

For [Bank/Entity Name]*

Authorized Signatory

(*Note: To be provided by a bank or statutory auditor or chartered accountant or Company secretary or equivalent in the jurisdiction of incorporation of the Company.)