

## EXPRESSION OF INTEREST – DECCAN CHRONICLE HOLDINGS LIMITED

### PROCESS DOCUMENT

#### 1. Introduction

Expressions of Interest (EOI) are invited from investors/consortium of investors having adequate financial and technical capabilities to submit Resolution Plan(s) for **Deccan Chronicle Holdings Limited** (“**DCHL**”, the “**Company**” or the “**Corporate Debtor**”) currently undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC).

Deccan Chronicle Holdings Limited (“the Company”) was incorporated in the year 2002 and the Registered Office of the Company is at 36, S.D. Road, Secunderabad, Telangana – 500 003. DCHL is actively engaged in the business of print and digital media. The Company went for IPO in the year 2004 and the shares were listed with NSE and BSE. Subsequently, the shares of the Company were delisted from both NSE and BSE during the year 2017.

Deccan Chronicle, the flagship brand of the Company was launched in 1938 and is the largest circulated English newspaper in South India.

The Company publishes and prints the following:

- **Deccan Chronicle**, an English Daily from Hyderabad, Karimnagar, Vijayawada, Rajahmundry, Visakhapatnam, Ananthapur, Nellore, Chennai, Coimbatore, Bengaluru, Kochi, Thiruvananthapuram and Kozhikode.
- **Financial Chronicle**, an English financial daily from Delhi, Mumbai, Hyderabad, Bengaluru and Chennai.
- **The Asian Age**, an English daily from Mumbai, Delhi, Kolkata and London.
- **Andhra Bhoomi**, a vernacular (Telugu) daily from Hyderabad, Karimnagar, Vijayawada, Rajahmundry, Visakhapatnam, Ananthapur, Nellore.
- **Andhra Bhoomi**, a vernacular (Telugu) weekly and monthly from Hyderabad.

#### 2. Transaction Process

The transaction process for the Corporate Debtor as aforesaid shall be completed in two stages, brief of which is discussed hereunder

##### Stage I

- Submission of EOI by interested Resolution Applicant(s) (RAs)
- Short-listing of RAs by Committee of Creditors (CoC)

##### Stage II

- Provision of Request For Resolution Plan (RFRP) document to the shortlisted RAs and signing of Non-Disclosure Agreement (NDA)
- Access to Virtual Data Room for limited due diligence by RAs
- Submission of Resolution Plan by RA along with Earnest Money Deposit (EMD) of INR 5,00,00,000 (Indian Rupees Five Crores) in the form of Electronic Transfer/Demand

Draft/Bank Guarantee/Surety Bond. In case of Bank Guarantee/Demand Draft/Surety Bond, the same to be valid for a period as specified in the RFRP.

EOI needs to be submitted in a format provided herein along with non-refundable **Process Participation Fees of INR 5,00,000.00 (India Rupees Five Lakhs Only)** plus applicable taxes (i.e. GST @ 18%). The fees must be paid on or before the last date mentioned below by drawing Demand Draft payable in Hyderabad favouring “Deccan Chronicle Holdings Limited” or by NEFT/RTGS (bank details for remittance provided below).

Beneficiary A/c. No: **2657201009201**

Bank Name & Branch: **Canara Bank, Prime Corporate Branch, Secunderabad**

IFSC Code: **CNRB0002657**

Prospective investors may submit the EOI on or before 28<sup>th</sup> March, 2018 (Wednesday), 6:00 p.m. by emailing it at **[deccanip@gmail.com](mailto:deccanip@gmail.com)** or **[pa.deccan@in.pwc.com](mailto:pa.deccan@in.pwc.com)** or by hand delivering it in a sealed envelope to **Dr. (h.c.) CS Mamta Binani**, Resolution Professional, 36, S.D. Road, Secunderabad, Telangana – 500 003.

Please note that the deadline for submission of Resolution Plan is presently 28<sup>th</sup> March 2018 and shall be also mentioned in the RFRP document available on Company’s website, as amended from time to time. For the avoidance of doubt, it is clarified that the date on which EOI is submitted by the RA shall be no ground for seeking an extension of Resolution Plan submission deadline.

### **3. Qualification for being a potential Resolution Applicant:**

EOI would be subject to evaluation on various technical parameters e.g. Consolidated Group Revenues/Turnover and/or Assets under Management and various financial parameters e.g. Consolidated Group Net worth and/or Committed Funds available for deployment including the following:

✓ **In case of Body Corporate:**

- Private/Public Limited Company, LLP, Body Corporate whether incorporated in India or outside India, with minimum Tangible Net Worth (TNW) of INR 100 Crores (as per the Companies Act, 2013) in the immediately preceding completed financial year.

Note: TNW to be certified by Auditor/ Chartered Accountant

✓ **In case of Financial Institutions (FI\*)/ Funds / Private Equity(PE) Investors/Nonbanking financial company (NBFC\*\*)/Any other applicant:**

- Minimum Asset Under Management (AUM) of INR 500 Crores in the immediately preceding completed financial year, OR
- Committed funds available for investment/deployment in Indian Companies or Indian assets of INR 250 Crores or more in the immediately preceding completed financial year.

\* FI as defined under Section 45-I(c) of RBI Act

\*\* NBFC as defined under Section 45-I(f) of RBI Act

Note: Management shall also certify the same in addition to submission of supporting documents.

✓ **In case of bidding as a consortium:**

- Lead member must hold at least 51% equity in the consortium. All other members would need to have a minimum stake of 10% each in the consortium.
- In case the consortium is of Body Corporates, Tangible Net Worth (TNW) of consortium shall be calculated as weighted average of individual member's TNW (value of negative TNW members shall be considered as Nil).
- In case the consortium is of FIs/Funds/PE Investors/NBFCs/Any other applicants, the minimum AUM of consortium shall be calculated as weighted average of individual member's AUM OR Committed funds available for investment/deployment in Indian companies shall be calculated as weighted average of individual member's committed fund to investment/deployment in Indian companies.
- In case the consortium is of body Corporates/FIs/Funds/PE Investors/NBFCs/any other applicants, the qualification criteria for TNW/AUM/Committed Funds would be in proportion to their shareholding in the consortium. All the consortium members should satisfy the criteria independently.
- No change in lead member or any member whose financials have been used to meet the criteria set out herein shall be permitted after the last date for submission of EOIs.

Further conditions/criteria including control, lock-in restrictions and other eligibility conditions at the sole discretion of RP/CoC may be stipulated in the RFRP document to eligible RAs. The interested applicant may choose to submit a resolution plan through any special purpose vehicle designated for the purpose.

The RFRP/other documents for the submission of a resolution plan would be issued to those resolution applicants which are shortlisted by the Committee of Creditors and will be required to submit the Resolution Plan within stipulated timelines along with a *Refundable EMD of INR 5,00,00,000 (Rupees five crores)* in the form of Electronic Transfer/Demand Draft/Bank Guarantee/Surety Bond. There would be a requirement of submission of a Performance Guarantee at a subsequent stage, the details of which shall be provided in the RFRP document.

The CoC reserves the right to extend the last date of submission of EoI at its discretion.

RP reserves the right to cancel / modify the process without assigning any reason and without any liability whatsoever.

{ On the Letterhead of the Entity Submitting the EoI }

**EXPRESSIONS OF INTEREST**

Date: \_\_\_\_\_

To,

The Resolution Professional,  
(Deccan Chronicle Holdings Limited)  
Address of the RP  
India

**Subject:** Expressions of Interest (“EoI”) –for submission of Resolution Plan of “Deccan Chronicle Holdings Limited” or “Company” under Corporate Insolvency Resolution Process (CIRP)

Dear Sir/Madam,

In response to the advertisement in *[Insert the names of the newspaper and/or website]* dated [•] inviting expressions of interest as captioned above (“**Advertisement**”), we hereby submit an EOI for the submission of resolution plan of Deccan Chronicle Holdings Limited under CIRP.

We have set out the information required in the format prescribed as an Annexure to this EoI;

We undertake that the information furnished by us in this EOI and in the Annexures is true, correct, complete and accurate. Further, we agree and acknowledge that:

- (a) the EOI will be evaluated based on the information provided in the Annexures to determine whether we qualify to submit a proposal for the proposed transaction;
- (b) the RP/the CoC reserve the right to determine at their sole discretion, whether or not we qualify for the submission of the proposal and may reject the EOI submitted by us without assigning any reason whatsoever;
- (c) the RP/the CoC reserve the right to request for additional information or clarification from us for the purposes of the EoI and we shall promptly comply with such requirements. Failure to satisfy the queries of RP/CoC within the given timelines may lead to rejection of our submission pursuant to EOI.
- (d) Submission of this EOI alone does not automatically entitle us to participate in the next stage of the bid process.
- (e) In case of consortium, we would comply with the eligibility criteria pertaining to equity holding and control i.e. we will hold at least *[Lead member to choose 51% & rest to choose 10%]* equity in the Special Purpose Vehicle (SPV) that will also be incorporated in the Joint Bidding Agreement (undertaking to be signed by /on behalf of each member of consortium by authorized signatories.

(f) We are not an ineligible person in terms of the provisions of Section 29A of the IBC. Also, we are a 'fit and proper' person and not under any legal disability to be a promoter under the applicable laws.

Sincerely yours,

On behalf of *[Insert the name of the entity submitting the EOI]* <sup>1&2</sup>

Signature: \_\_\_\_\_

Name of Signatory:

Designation:

Company Seal/Stamp

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<sup>1</sup> Note: The person signing the EoI and other supporting documents should be an authorised signatory supported by necessary board resolutions/authorization letter.

<sup>2</sup> In case of Consortium Applicant, each applicant should submit this.

## Annexure A

*[Note: In case of joint EOIs, the details set out below are to be provided for each of the entities / groups submitting each joint EOI.]*

### **1. Name and Address:**

- a. Name of the Firm/Company/Organization/ Other Applicant:
- b. Address:
- c. Telephone No:
- d. Fax:
- e. Email:
- f. PAN/CIN:

### **2. Date of Establishment (if any):**

**3. Nature of Establishment:** *[Body Corporate OR Financial Institutions / Funds / PE Investors]*  
*(Please choose one)*

### **4. Core Area of Expertise:**

### **5. Contact Person:**

- a. Name:
- b. Designation:
- c. Telephone No:
- d. Mobile No:
- e. Email:

### **6. Company/FI Profile:**

- a. Company Financial Profile (consolidated / standalone as applicable):  
*[Note: The Company profile should necessarily include net worth and revenue numbers of the preceding three years. Where the entity submitting the EOI is a financial investor / fund entity, please provide details pertaining to 'assets under management' and/or 'committed funds' for the preceding five years or the committed funds available as on March 31 2017, for investment.]*

**For Body Corporate** *(if for group, give separately for each company)*

<i>INR Crores</i>	<i>FY17</i>	<i>FY16</i>	<i>FY15</i>
<i>Revenue</i>			
<i>Net Worth</i>			

**For Financial Institutions / Funds / PE Investors** (if for group, give separately for each entity)

<i>INR Crores</i>	<i>FY17</i>	<i>FY16</i>	<i>FY15</i>	<i>FY14</i>	<i>FY13</i>
<i>Assets under management</i>					

- b. Names & DIN of Directors including Independent Directors:
- c. Experience of the Company in the relevant sector:
- d. Names of key lenders, if any, to the Company or its affiliates.
- e. History, if any, of the Company or affiliates of the Company being declared a ‘willful defaulter’, ‘non-cooperative borrower’, ‘non-impaired asset’ or ‘nonperforming asset’.
- f. Any other relevant details which would be useful for the RP to evaluate the bid and help to shortlist for the next stage in the process.
- g. Ownership Details:
- h. Proof of Identity and Address:

Note: Applicant shall submit the following documentary proofs as a part of this Annexure A:

**1. Applicable to Body Corporate**

- a. Audited financial statements for last 3 financial years;
- b. Certificate from Statutory Auditor or Chartered Accountant or Company Secretary or equivalent in the jurisdiction of incorporation of the Company certifying *net worth and turnover* of the last 3 financial years;
- c. Copy of Certificate of Registration/Incorporation and latest Constitutional Documents (Articles and Memorandum of Association) of the Applicant.

**2. Applicable to Financial Institutions / Funds / PE Investors**

- a. Audited financial statements for last 3 financial years;
- b. Certificate from Statutory Auditor or Chartered Accountant or Company Secretary or equivalent in the jurisdiction of incorporation of the Company certifying *Assets under management* as at end of last 3 financial years;
- c. Copy of Certificate of Registration/Incorporation and latest Constitutional Documents (Articles and Memorandum of Association) of the Applicant;
- d. Documentary evidence for Funds available for deployment as on March 31, 2017.

[Note A: In case of Consortium Applicant, the details set out above are to be provided for each member of the Consortium]

[Note B: In case of EOIs, the details set out above are to be provided for each of the entities / groups submitting each joint EOI.]

**Annexure B**

**1. Details of Consortium Members:**

<b>Name of the Member</b>	<b>% of share in the Consortium</b>	<b>Nominated as Lead (Y/N)</b>



**(On the Letterhead of the Bank/ Entity Issuing the Certificate)**  
Private & Confidential

Ref no: *[Insert reference number]*

Date:

To,

The Resolution Professional,  
(Deccan Chronicle Holdings Limited)  
Address of RP  
India

**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]* (“Resolution Applicant”)<sup>2</sup> 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 Resolution Applicant without attaching any risk and responsibility to us in any respect whatsoever whether as guarantor or otherwise.

**For [Name of Entity issuing certificate]<sup>3</sup>**

**Authorised Signatory**

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<sup>2</sup> To be provided for each entity involved in the joint bid, if any.

<sup>3</sup> To be provided by the bank or statutory auditor or chartered accountant or company secretary or equivalent in the jurisdiction of incorporation of the Company.