

**E-AUCTION PROCESS INFORMATION DOCUMENT FOR SALE OF THE
SHARES OWNED BY FIRESTAR DIAMOND INTERNATIONAL PRIVATE
LIMITED IN RHYTHM HOUSE PRIVATE LIMITED**

Terms & Conditions

For

Participation in E-Auction Process for Sale of Assets (i.e., 99.77% stake in the shareholding owned by the Corporate Debtor in Rhythm House Private Limited) of Firestar Diamond International Private Limited - In Liquidation ("Company" / "Corporate Debtor") under the provisions of Insolvency and Bankruptcy Code, 2016 vide order of Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") dated 26th February 2020.

Date of Public Advertisement

02/09/2024

Date of E-Auction

07/10/2024

Issued by Liquidator, Santanu T Ray

(Registration No.: IBBI/IPA-002/IP-N00360/2017-2018/11055)

Liquidator of Firestar Diamond International Private Limited - In Liquidation

Registered office: Unit No. 23, 3rd Floor, Tower II, Wing B, Kohinoor City, Kirol Road, Off LBS Marg, Kurla West Mumbai City MH 400070 IN

Correspondence Address - 144- B, 14th Floor, Mittal Court, Nariman Point, Mumbai 400021

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liquidator.firestardiamond@aaainsolvency.com

(Santanu T Ray is a Registered Insolvency Professional with Insolvency and Bankruptcy Board of India (“**IBBI**”). His Registration number is IBBI/IPA-002/IP-N00360/2017-2018/11055. **Mr. Santanu T Ray** has been appointed as a Liquidator of **Firestar Diamond International Private Limited** by Hon’ble NCLT, Mumbai Bench, vide its order dated **26th February 2020**. The affairs, business and property of **Firestar Diamond International Private Limited** (in Liquidation) are being managed by the Liquidator, Mr. Santanu T Ray.)

SD/-

SANTANU T RAY

Liquidator of Firestar Diamond International Private Limited

IP Registration No. IBBI/IPA-002/IP-N00360/2017-2018/11055

Communication Address & Email ID:

144 - B, 14th Floor, Mittal Court, Nariman Point, Mumbai 400021

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Registered Address & Email ID with IBBI:

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santanutr@aaainsolvency.com

Date: 02/09/2024

Place: Mumbai

NOTES:

1. This E-Auction Process Information Document for Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited is issued only for the Bidders interested in participating in the liquidation process of **Firestar Diamond International Private Limited**.
2. The terms and conditions, deadlines etc. for participating in the electronic auction are provided in this E- Auction Process Information Document.
3. The timelines, notifications and other details for the E-Auction Process are available on the website (www.insolvencyandbankruptcy.in) of Insolvency Professional Entity of the Liquidator and will also be available on the website / link (<https://aaa.auctiontiger.net>) of the E-Auction Service Provider i.e. **M/s E-Procurement Technologies Limited** (Auction Tiger). Bidders desirous to submit their Bid have to submit their Bid on E-Auction portal of the E-Auction Service Provider.
4. The term "Sale of the Company or Corporate Debtor" wherever used in this document shall mean, Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited In accordance with the provisions of IBC, Liquidation Process Regulations and this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited. The phrase 'Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited' shall mean and refer to the sale of the 99.77% shareholding owned by the Corporate Debtor, i.e., Firestar Diamond International Private Limited in the Subsidiary Company under the name and style of Rhythm House Private Limited.
5. The entire process shall be subject to extant Regulations, the Code and approval of the Judicial Authority.

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DISCLAIMER

This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited is issued by Mr. Santanu T Ray (an insolvency professional with Registration No. IBBI/IPA-002/IP-N00360/2017-2018/11055), the Liquidator appointed by the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 26th February 2020, for general information purposes only to provide general information, without regard to specific objectives, suitability, financial situations and the requirements of any particular person.

The purpose of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited is to lay out the process for submitting the Bid by the prospective Bidders through E- Auction for participating in the process of Sale of Assets and Properties belonging to the Corporate Debtor basis in accordance with the provisions of E-Auction Process Information Document, IBC and Liquidation Process Regulations. Neither this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited nor anything contained herein shall form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment whatsoever. This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited does not solicit any action based on the material contained herein.

This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited is not a statutory document and it has not been approved or registered with any regulatory or statutory authority of government of India or any state government or by any stock exchange in India or any other jurisdiction. Nothing herein contained or materials relating to the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited should be construed as legal, financial, accounting, regulatory or tax advice by the Liquidator.

It is to be noted that no information being provided in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited claims to be comprehensive. Independent due diligence of the intended user/recipient of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited or by the Bidder is highly recommended. While this information has been prepared in good faith, no representation or warranty, expressed or implied, is or will be

made and no responsibility or liability is or will be accepted is or will be expressly disclaimed by the Liquidator or by any of his representatives, officers, agents, or the Company or in relation to the accuracy, fairness, authenticity or completeness of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited or any other written or oral information made available to any prospective Bidder or its advisors. In so far as the information contained in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited includes current and historical information, the accuracy, adequacy, authenticity, correctness, fairness, and completeness of such information cannot be guaranteed.

Acceptance of this Document by an interested /qualified Bidder shall be deemed to be an unconditional acknowledgement by the recipient that the Corporate Debtor, the Liquidator, their advisors and representatives, officers, agents do not accept any responsibility or liability for any such information or opinion.

In providing this Document, the Liquidator or his advisors or representatives do not undertake any obligation to provide the interested Bidder with access to any additional information or to update, expand, revise, or amend the information, or to correct any inaccuracies which may become apparent in this or any other document. The Liquidator may, however, alter, modify, or otherwise change in any manner the contents of this Document, without obligation to notify any person of such revision or changes.

Documents, reports, certificates etcetera in relation to the Corporate Debtor are available with the Liquidator and can be viewed by Qualified Bidder (s) upon access being granted by the Liquidator through virtual Data Room maintained at the link provided by the office of the Liquidator. Nothing contained in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited shall be deemed to relieve, wholly or partially, directly, or indirectly, the Bidder from their compliance with the IBC, any other law in force, and/or any infrastructure having the force of law, as may be applicable to them.

This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and information contained herein or disclosed should not be printed, reproduced, transmitted, sold, distributed, or published by the recipient of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, without prior written approval from the Liquidator.

Distributing or taking/ ending/ dispatching/ transmitting this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited in certain foreign jurisdictions may be restricted by law, and Persons in whose possession this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited comes should inform themselves about, and observe, any such restrictions. Neither the Liquidator, nor his professional advisors, affiliates, directors, employees, agents, representatives or managers of the process shall be liable for any damages, whether direct or indirect, special or consequential including loss of revenue or profits that may arise from or in connection with the use of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, including for the Bidder not being selected as a Successful Bidder or on account of any decision taken by the Liquidator.

*Neither the Liquidator (**Santanu T Ray**), nor his Insolvency Professional Entity (**AAA Insolvency Professionals LLP**), its / his Partners, Directors, colleagues, advisors, agents, employees, representatives, affiliates, etc. shall be liable for any damages, whether direct or indirect, including loss of revenue or profits that may arise from or in connection with the use of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, including for the Bidder not being selected as a Successful Bidder or on account of any decision taken by the Liquidator.*

Further, apart from the provisions set out in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, the Bidder shall be responsible for fully satisfying the requirements and provisions of IBC and Liquidation Process Regulations as well as all laws in force that are or may be applicable to the Bidder or the intended manner of sale envisaged under this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and for obtaining consents, waiver from requisite regulatory and statutory approvals from the concerned regulators, third parties and governmental authorities in order to consummate the sale process as contemplated in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

Under no circumstances shall the Bidder make any contact, direct or indirect, by any mode whatsoever, with the Company until the Liquidator gives his written permission. The Confidential

Information shall be kept secret and confidential by the Bidder (s) and shall be used solely in accordance with the terms of the Confidentiality Undertaking and provisions of IBC.

No Person, including the Bidder shall be entitled under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise to claim for any loss, damage, cost or expense which may arise from or be incurred or suffered on account of anything contained in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited or otherwise, including the accuracy, adequacy, authenticity, correctness, completeness or reliability of the information or opinions contained in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and any assessment, assumption, statement or information contained therein or deemed to form part of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, and the Liquidator or any of his respective advisors, consultants and representatives and the Company, do not have any responsibility or liability for any such information or opinions and therefore, any liability or responsibility is hereby expressly disclaimed.

The sale of the Assets of the Company is proposed to be done on "as is where is basis", "as is what is basis", "whatever there is basis" and "no recourse" basis and the proposed sale of the assets of the Company does not entail transfer of any other title, except the title which the Company had on its assets as on date of transfer. The Liquidator does not take or assume any responsibility for any shortfall or defect or shortcoming in the moveable/immoveable assets of the Company. As such, the said proposition for disposition is without any kind of warranties and indemnities.

The Bidders shall bear all its costs and charges associated with or relating to the preparation and submission of its Bid including but not limited to physical and electronic preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Liquidator or any other costs incurred in connection with or relating to its Bid.

This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited is neither an agreement nor an offer by the Liquidator to the prospective Bidders or any other person. The objective of this E- Auction Process Information Document is to provide prospective Bidders with information that may be useful to them in making their Bid. It may be noted that the assumptions, assessments, statements and information contained

in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited may not be complete, accurate, adequate or correct. Each Bidder should, therefore, conduct its own due-diligence, investigations and analysis and should also check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and may get independent advice from appropriate sources.

Information provided in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited to the Bidder(s) has been collected and collated from several sources. This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited may not be all inclusive and may not contain all of the information that the recipient may consider material for the purpose of submission of its Bid. The information given by no means claims to be an exhaustive account of statutory requirements and should not be regarded as complete. The Liquidator accepts no liability or responsibility for the authenticity, accuracy or otherwise for any statement or information contained in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

The Bidders are prohibited from giving or offering any gift, bribe or inducement and any attempt to any such act on behalf of the Bidder towards the Liquidator, or any of his respective professional advisors, affiliates, or Representatives for showing any favor in relation to this document or the process set out herein, shall render the bidder to such liability and penalty as the Liquidator may deem proper, including but not limited to immediate disqualification and exclusion from the process contemplated hereunder.

Neither the information in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited nor any other written or oral information provided by the Liquidator, or any of his respective advisors, consultants and representatives is intended to form the basis of or the inducement for submission of any document or information or the Bid by any prospective Bidder or for any investment activity.

It is to be noted that by procuring a copy of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, the recipient accepts the terms of this Disclaimer, which forms an integral part of this E- Auction Process Information Document.

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1. INFORMATION MUST BE READ BEFORE BIDDING

- 1.1 This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited has been issued for the purpose of carrying out E-Auction by sale of Assets of the Company in accordance with the provisions of IBC and Liquidation Process Regulations.
- 1.2 The information provided in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited should be read together with the provisions of the IBC and the Liquidation Process Regulations. In the event of a conflict between this E-Auction Process Information Document and the IBC or the Liquidation Process Regulations, the provisions of the IBC or the Liquidation Process Regulations, as the case may be, shall always prevail.
- 1.3 The information contained in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited or subsequently provided to Bidder(s), whether verbally or in documentary or electronically or any other form by or on behalf of the Liquidator, is provided to Bidder(s) on the terms and conditions as set out in this E-Auction Process Information Document.
- 1.4 This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited does not constitute advice and the Liquidator should not be held responsible for any sort of claim on the name **Firestar Diamond International Private Limited** ("FDIPL") by any constitution / party (including related party (ies)). The Liquidator hereby excludes any warranty, express or implied by any party on the name FDIPL. No responsibility is taken by the Liquidator regarding any implications on the future usage of the name FDIPL.
- 1.5 The Liquidator also hereby disclaims any and all liability for any statements made or omitted to be made in this E-Auction Process Information Document

for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited or, any action taken or omitted to be taken pursuant to this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited. The Liquidator may in his absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited. Further, the Bidders must specifically note that the Liquidator reserves the right to change, update, amend, supplement, modify, add to, delay or otherwise annul or cease the liquidation proceedings at any point in time, for any reason whatsoever determined in his sole discretion without obligation to notify any Person of such revision or changes.

- 1.6 The issuance of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited does not imply that the Liquidator is bound to select a bidder or to appoint the preferred Bidder as Successful Bidder for acquisition of the Company and the Liquidator reserves the right to reject all or any of the Bidders or their Bid(s) without assigning any reason whatsoever.
- 1.7 The sale of the Assets of the Company as contemplated in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited shall be undertaken by the E-Auction Service Provider for and on behalf of the Liquidator through an E-Auction platform provided on the website portal of the E-Auction Service Provider (“**Platform**”). Other details with respect to the E- Auction are as follows and the relevant annexures and formats are provided herein:

Type of Bid	E-Auction (online only)
Seller	Santanu T Ray (Liquidator for Firestar Diamond International Pvt. Ltd.

Website of E-Auction Service Provider	https://aaa.auctiontiger.net
E-Auction Service Provider	<p>M/S E-Procurement Technologies Limited (Auction Tiger), A-201, Wall Street – II, Opp. Orient Club, Nr. Gujarat College, Ellis Bridge, Ahmedabad – 380006, Gujarat (India)</p> <p>Person: Rikin Brahmatriya Email ID: rikin@auctiontiger.net , Sales@AuctionTiger.net Mobile No: (+91) 63518 96833 / 99133 26773</p>
Annexures and formats	<p>Format A: Format for letter for submission of EMD by Associate/ Associate Company (where applicable) Annexure I: Affidavit and Undertaking Annexure II: Bid Application Form (to be duly filled in and signed and stamped by the bidder and uploaded) Annexure III: Bid Declaration Form (to be duly filled in and signed, stamped by the Bidder and uploaded along with the Bid Application Form) Annexure IV: Technical Terms and Conditions of E-Auction Annexure V: Confidentiality Undertaking Annexure VI: Details of the bidder Annexure VII: Affidavit by the Applicant- Pre bid qualifications Annexure VIII: Description of Assets Annexure IX: Format for Board Resolution</p>

All terms and conditions with respect to sale of Assets of the Company shall be governed in accordance with the provisions of IBC and Liquidation Process Regulations read with the directions issued by the Liquidator and NCLT from time to time. As mandated, the Liquidator shall exercise all rights with respect to sale of the Assets of the Company and it would be open to the Liquidator to appoint such experts, professionals or other persons, as the Liquidator might think necessary to facilitate the Liquidator in conducting the sale of the Assets of the Company.

for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited shall form an integral part hereof and this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited shall always be read in conjunction with the Annexures and Formats appended hereto.

- 1.9 This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited is neither transferable nor assignable.
- 1.10 All title documents in relation to assets of the Company as is available with the Liquidator shall be made available to Qualified Bidder(s) on request to the Liquidator through Data Room maintained at the link provided by the Data Room Service Provider. Nothing contained in this E- Auction Process Information Document shall be deemed to relieve, wholly or partially, directly or indirectly, the Bidder from their compliance with the IBC, any other law in force, and/ or any instrument having the force of law, as may be applicable to them.
- 1.11 The Bidder shall inform themselves concerning, and shall observe and comply with, any applicable legal requirements.
- 1.12 The laws of the Republic of India are applicable to this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

2. KEY DEFINITIONS

- 2.1 **“Affidavit and Undertaking”** shall mean the affidavit and undertaking provided by the Bidder in the form and manner as annexed in **Annexures** hereto;
- 2.2 **“Applicable Law(s)”** shall mean, any or all the applicable laws, codes, regulations, rules, guidelines, circulars, re-enactments, revisions, applications and adaptations thereto, judgments, decrees, injunctions, writs and orders of

any court, arbitrator or governmental agency or authority, rules, regulations, orders and interpretations of any governmental authority, court or statutory or other body applicable for such transactions including but not limited to the Insolvency and Bankruptcy Code, 2016 (“IBC” / “Code”), IBBI Regulations, IBBI Liquidation Process Regulations, Companies Act, 1956 / 2013 (as applicable), Competition Act, 2002 , Income Tax Act, 1961, The Goods and Services Tax Act, 2017, Transfer of Property Act, 1882, Sale of Goods Act, 1930, Foreign Exchange Management Act, 1999, Prevention of Money Laundering Act, 2002, whether in effect as of the date of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited or thereafter and each as amended from time to time;

- 2.3 **“Assets”** means specified properties of the Corporate Debtor as specified in Clause 6.1 and Annexure-VIII of this Process Document. Assets mentioned in the instant document specifically refers to the shares held by Firestar Diamond International Private Limited in Rhythm House Private Limited and subsequently by virtue of payment of the total Sale Consideration as specified by in the instant E-Auction Information Process Document also includes the right to the underlying assets & liabilities of Rhythm House Private Limited.
- 2.4 **“Associate Company”** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. Where ‘significant influence’ means control of at least twenty per cent. of total share capital, or of business decisions under an agreement;
- 2.5 **“Bid”** means, any bid or offer along with other documents, submitted by the Bidder(s) as required in terms of the Public Advertisement and E- Auction Process Information Document issued by the Liquidator and in accordance with the provisions of IBC read together with the IBBI Liquidation Process Regulations as amended from time to time and the Applicable Law(s);

- 2.6 **“Bidder(s)”** shall mean a Person or Persons as the case may be, who submitted a Bid as per the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited; for the purpose of declaration as a Qualified Bidder and shall include a Qualified Bidder, Unsuccessful Bidder or the Successful Bidder, as the case may be and as the context requires and accordingly, the intending Person or Persons willing to become Bidders shall be referred to as “Interested Bidders” or “Prospective Bidders”.
- 2.7 **“Bid Application Form”** shall mean the form as specified in **Annexure II** of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited;
- 2.8 **“Bid Declaration Form”** shall mean a declaration by the Bidders in form as specified in **Annexure III** of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited;
- 2.9 **“Company”** or **“Corporate Debtor”** shall mean **Firestar Diamond International Private Limited**, a company incorporated in India, having its registered office at Unit No. 23, 3rd Floor, Tower II, Wing B, Kohinoor City, Kiro Road, Off LBS Marg, Kurla West Mumbai City MH 400070 IN;
- 2.10 **“Confidential Information”** shall mean any and all information and other materials disclosed, furnished, communicated or supplied by the Company to any bidder, in written or electronic or verbal form, including without limitation, and shall be determined to include (without limitation) the following types of information of a similar nature: any commercial and / or financial information, improvement, know how, intellectual property, discoveries, ideas, concepts, papers, techniques, models, data, documentation, manuals, flow charts, research, process, procedures, functions and other information related to price lists and pricing policies and any other information

which the Company identifies to be confidential at the time of disclosure to the relevant bidder, and shall include any information that is provided by the Liquidator or his representatives pursuant to the liquidation process or through the Confidentiality Undertaking;

- 2.11 **“Consortium”** in respect of a Bidder means any Person acting together with another Person as a consortium/joint bidder or joint venture (whether incorporated or not) for the purpose of submission of Bid, provided that no member of such Consortium is disqualified under Section 29A of the IBC.
- 2.12 **“Control”** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;
- 2.13 **“Confidentiality Undertaking”** shall mean an undertaking as specified in **Annexure V** herewith;
- 2.14 **“Consideration Payment Date”** shall mean the date on which the Sale Consideration has been transferred into the Liquidation Account by the Successful Bidder as specified in this document and which shall be any date within 30 (Thirty) days or a maximum of 90 (Ninety) days, as the case may be, from the issuance of the Letter of Intent (“LoI”) to the Successful Bidder;
- 2.15 **“Data Room”** shall mean the virtual data room maintained by the Liquidator, created for the Qualified Bidders to access information in relation to the Company;
- 2.16 **“Directorate of Enforcement” and/or “ED”** means and refers to the multi-disciplinary organization established by the Central Government of India mandated with investigation of economic crimes and violations of foreign exchange laws. It deals with the enforcement of the Prevention of Money

Laundrying Act, 2002, the Foreign Exchange Management Act, 1999, the Fugitive Economic Offenders Act, 2018, the Foreign Exchange Regulation Act, 1973 and cases under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974

- 2.17 **“E-Auction Process”/“E-Auction”** shall mean the electronic auction process for sale of the Assets of the Company conducted in accordance with the provisions of IBC, Liquidation Process Regulations, Applicable Law(s) and this E- Auction Process Information Document inviting Bid from the Bidders for consummating the sale of Assets of the Company in accordance with the provisions of IBC and Liquidation Process Regulations;
- 2.18 **“E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited”** and/or **“E-Auction Bid Process Information Document”** and/or **“E-Auction Bid Process Document”** means this document including all the annexures, formats hereto, Information Memorandum, Data Room information / documents, for the purposes of setting out the process for submission of a bid and selection of Successful Bidder in accordance with the provisions of the IBC and Liquidation Process Regulations and shall include all supplements, modifications, amendments, addendums, alterations or clarifications thereto issued in accordance with the terms hereof;
- 2.19 **“Eligibility Criteria”** shall mean the legal criteria as specified in the Clause 5 of this E- Auction Process Information Document;
- 2.20 **“Foreigner”** means a person who is not a citizen of India;
- 2.21 **“Final Order”** shall mean the final, non - appealable order passed the Judicial Authority (including in an appeal) pursuant to the application/appeal filed by the Liquidator before such Judicial Authority, whether approving or rejecting the sale under Liquidation of the corporate debtor to the Successful Bidder.

- 2.22 **“Final Approval Order”** shall mean order of any of the Judicial Authority (in original application to NCLT or in an appeal) approving the sale under Liquidation of the corporate debtor to the Successful Bidder.
- 2.23 **“IBC” / “Code”** shall mean Insolvency and Bankruptcy Code, 2016 as amended from time to time;
- 2.24 **“INR”** means the Indian Rupee;
- 2.25 **“Judicial Authority”** shall mean the NCLT, acting in its capacity as the adjudicating authority under the IBC, the NCLAT in an appeal and the Supreme Court in an appeal thereafter as the case may be.
- 2.26 **“Key Managerial Personnel”** in relation to a company, means – (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed;
- 2.27 **“Know Your Customer” / “KYC”** related documents means and shall include the concerned entity’s PAN Card, Aadhaar Card, Voter’s Identity Card, Passport, Overseas Citizenship of India Card, Person of Indian Origin Card, Certificate of Incorporation and other documents as may be specified in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.
- 2.28 **“LOI” or “Letter of Intent”** shall mean the letter issued by the Liquidator to the Successful Bidder detailing out the terms and conditions to complete the sale of Assets of the Company, including the balance sale payment by Successful Bidder as per the provisions of IBC and the Liquidation Process Regulations;
- 2.29 **“Liabilities of Rhythm House Private Limited”** shall refer to the short and

long-term borrowings of Rhythm House Private Limited including monies owed by it to Firestar Diamond International Private Limited and outstanding amounts owed by it towards society dues and municipal authorities as and other outstanding amounts whether made known to the Liquidator of the Corporate Debtor herein or not.

- 2.30 **“Liquidation Process Regulations”/ “Regulations”** means, the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations 2016 as amended from time to time;
- 2.31 **“Liquidator”** means **Mr. Santanu T Ray**, an insolvency professional registered with Insolvency and Bankruptcy Board of India (IBBI) having registration number IBBI/IPA-002/IP-N00360/2017-2018/11055, appointed by NCLT, vide its order dated 26th February 2020;
- 2.32 **“NCLT”** shall mean the National Company Law Tribunal, Mumbai Bench;
- 2.33 **“NCLAT”** shall mean the National Company Law Appellate Tribunal;
- 2.34 **“Non-Resident Indian (NRI)”** is an individual resident outside India who is citizen of India.
- 2.35 **“Overseas Citizen of India (OCI)”** is an individual resident outside India who is registered as an Overseas Citizen of India Cardholder under Section 7(A) of the Citizenship Act, 1955.
- 2.36 **“Person”** shall mean and include - (a) an individual; (b) a Hindu Undivided Family; (c) a company; (d) a trust; (e) a partnership; (f) a limited liability partnership; and (g) any other entity established by a statute, and includes a person resident outside India;
- 2.37 **“Person of Indian Origin” and/or “PIO”** means a citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held Indian passport; or (b)

he or either of his parents or any of his grand-parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act 1955 (57 of 1955); or
(c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b).

- 2.38 **“Person Resident In India”** shall have the meaning as assigned to such term in clause (v) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999);
- 2.39 **“Person Resident Outside India”** means a person other than a person resident in India;
- 2.40 **“Process Document” or “Document”** means this document including all the appendices hereto, for the purposes of setting out the process for submission of a bid and selection of Successful Bid in accordance with the provisions of the IBC and shall include all supplements, modifications, amendments, alterations or clarifications thereto issued in accordance with the terms hereof;
- 2.41 **“Public Advertisement”** shall mean an announcement dated **02/09/2024** in newspaper(s) inviting an expression of interest from the Bidders, who shall submit their Bid to participate in the liquidation process of the Company in accordance with the provisions of IBC and Liquidation Process Regulations;
- 2.42 **“Qualified Bidder(s)”** shall mean a Bidder who fulfills the eligibility criteria listed out in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and is declared to be qualified to take further part in the E-Auction by the Liquidator;
- 2.43 **“Registered Valuer”** means a person registered as such in accordance with the Companies Act, 2013 (18 of 2013) and rules made thereunder who is also a registered valuer entity (RVE) or an individual who is registered with the Insolvency and Bankruptcy Board of India;

2.44 **“Related Party”, in relation to a corporate debtor,** means- (a) a director or partner of the corporate debtor or a relative of a director or partner of the corporate debtor; (b) a key managerial personnel of the corporate debtor or a relative of a key managerial personnel of the corporate debtor; (c) a limited liability partnership or a partnership firm in which a director, partner, or manager of the corporate debtor or his relative is a partner; (d) a private company in which a director, partner or manager of the corporate debtor is a director and holds along with his relatives, more than two per cent. of its share capital; (e) a public company in which a director, partner or manager of the corporate debtor is a director and holds along with relatives, more than two per cent. of its paid- up share capital; (f) anybody corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor; (g) any limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor; (h) any person on whose advice, directions or instructions, a director, partner or manager of the corporate debtor is accustomed to act; (i) a body corporate which is a holding, subsidiary or an associate company of the corporate debtor, or a subsidiary of a holding company to which the corporate debtor is a subsidiary; (j) any person who controls more than twenty per cent. of voting rights in the corporate debtor on account of ownership or a voting agreement; (k) any person in whom the corporate debtor controls more than twenty per cent. of voting rights on account of ownership or a voting agreement; (l) any person who can control the composition of the board of directors or corresponding governing body of the corporate debtor; (m) any person who is associated with the corporate debtor on account of (i) participation in policy making processes of the corporate debtor; or (ii) having more than two directors in common between the corporate debtor and such person; or (iii) interchange of managerial personnel between the corporate debtor and such person; or (iv) provision of essential technical information to, or from, the corporate debtor;

2.45 **“Related Party”, in relation to an individual**, means- (a) a person who is a relative of the individual or a relative of the spouse of the individual; (b) a partner of a limited liability partnership, or a limited liability partnership or a partnership firm, in which the individual is a partner; (c) a person who is a trustee of a trust in which the beneficiary of the trust includes the individual, or the terms of the trust confers a power on the trustee which may be exercised for the benefit of the individual; (d) a private company in which the individual is a director and holds along with his relatives, more than two per cent. of its share capital; (e) a public company in which the individual is a director and holds along with relatives, more than two per cent. of its paid-up share capital; (f) a body corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of the individual; (g) a limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, act on the advice, directions or instructions of the individual; (h) a person on whose advice, directions or instructions, the individual is accustomed to act; (i) a company, where the individual or the individual along with its related party, own more than fifty per cent. of the share capital of the company or controls the appointment of the board of directors of the company.

Explanation. - For the purposes of this clause, -

(a) “relative”, with reference to any person, means anyone who is related to another, in the following manner, namely:-

(i) members of a Hindu Undivided Family, (ii) husband, (iii) wife, (iv) father, (v) mother, (vi) son, (vii) daughter, (viii) son’s daughter and son, (ix) daughter’s daughter and son, (x) grandson’s daughter and son, (xi) granddaughter’s daughter and son, (xii) brother, (xiii) sister, (xiv) brother’s son and daughter, (xv) sister’s son and daughter, (xvi) father’s father and mother, (xvii) mother’s father and mother, (xviii) father’s brother and sister, (xix) mother’s brother and sister; and

(b) wherever the relation is that of a son, daughter, sister or brother, their spouses shall also be included;

- 2.46 **“Representatives”** shall include partners, directors, officers, employees, affiliates, agents, consultants, advisors or such other representatives of the relevant Person expressly authorized by such Person pursuant to corporate authorizations, powers of attorney, or contract;
- 2.47 **“Reserve Price”** shall mean the minimum bid price specified against each of the asset blocks as declared on the specified announced date of the E-Auction in the E-Auction portal
- 2.48 **“Resident Indian citizen”** is an individual who is a person resident in India and is citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955).
- 2.49 **“Sale Consideration”** shall mean the Bid of the Successful Bidder in E-Auction for the purchase of Assets of Firestar Diamond International Private Limited in Rhythm House Private Limited and including the loan component owed by Rhythm House Private Limited to the Corporate Debtor as specified in the instant E-Auction Process Information Document etc. payable by the Successful Bidder;
- 2.50 **“Subsidiary Company”** refers to the corresponding definition under Section 2(87) of the Companies Act, 2013 and a Subsidiary Company herein also refers specifically to the Rhythm House Private Limited wherein Firestar Diamond International Private Limited holds 99.77% of the shareholding and Firestar International Limited holds 0.23% of the shareholding.
- 2.51 **“Successful Bidder”** means, the Qualified Bidder whose Bid is approved and who is declared successful by the Liquidator at the end of the determined auction phase as per the provision of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, provisions of IBC and the Liquidation Process Regulations through which the Successful Bidder proposes to consummate the

sale transaction as per this E-Auction Process Document. In the connotation of the Assets being handed over to the Successful Bidder post Sale Consideration Date, it is also to be noted that the Assets shall be duly handed over only to the Successful Bidder's specified key managerial personnel as specified herein below and not to any Authorized Representative:

For any of the following categories of Successful Bidder, the concerned persons shall only be the recipients of the Assets post the Sale Consideration Date:

- (i) Individual (including NRI/OCI/PIO/Foreigner) - the Successful Bidder himself;
- (ii) HUF - the Karta;
- (iii) Firm - any one of the Partners duly authorized by the other partners.
- (iv) Limited Liability Partnership - by the duly authorized Designated Partner
- (v) Company or Body Corporate including any Joint Venture, Special Purpose Vehicle, Asset Reconstruction Company, Financial Institution, NBFC's, Alternate Investment Funds - any one of the Directors and/or any of the Key Managerial Personnel of the Successful Bidder duly authorized by a Board Resolution.

2.52 **"Taxes"** means any taxes including any stamp duty, interest tax, excise duties, customs duties, value added tax, sales tax, local taxes, charges, cess, income tax, TDS, TCS, GST, CST, entry tax, octroi and any impost or surcharge of like nature (whether central, state or local) charged, levied or imposed by any governmental authority, as per the requirements of Applicable Laws.

2.53 **"Working Day"** shall mean any day between 10:30 Hours and 17:00 Hours IST, other than a public holiday as per the Negotiable Instruments Act, 1881 and excluding days when banks are closed for business.

Capitalized terms used herein but not defined otherwise shall have meaning prescribed to them under the provisions of the IBC, the Liquidation Process Regulations and Applicable Law(s) to such terms as the context may require.

1. INTRODUCTION

- 1.1 The insolvency application was filed by **CORPORATION BANK** ('Financial Creditor') under section 7 of the Insolvency and Bankruptcy Code, 2016 against **Firestar Diamond International Private Limited** (herein referred to as CD) read with Rule 4 of Insolvency and Bankruptcy Code (Application to Adjudicating Authority) Rules, 2016, the insolvency application was duly heard and admitted by the Hon'ble NCLT, Mumbai Bench. This Hon'ble Tribunal was pleased to pass an order dated 25th September, 2019 to initiate Corporate Insolvency Resolution Process of the CD and one **Mr. Ram Ratan Kanoongo** (IP Registration No. IBBI/IPA-001/IP-P00070/2017-2018/10156) was appointed as the Interim Resolution Professional. In the fourth meeting of Committee of Creditors ('CoC'), the members decided to go for the Liquidation process as it was the last resort option available with the creditors under Code and the members opined that during Liquidation the assets of the CD shall be sold as not Going Concern. Further, since the corporate office, registered office, manufacturing facility, all secured and unsecured assets of the Corporate Debtor are attached by the Enforcement Directorate in terms of the POA's, the COC concluded that there is no possibility of finding any resolution to the Corporate Debtor under the present circumstances and thus in exercise of their commercial wisdom resolved to liquidate the Corporate Debtor. Therefore, the COC resolved to Liquidate the Corporate Debtor with 98.24% majority as it was not a going concern and recovery action had already been initiated by the Banks / creditors against the Corporate Debtor and guarantors & further resolved to replace the IRP and proposed to appoint **Mr. Santanu T. Ray** having the Registration No IBBI/IPA-002/IP-N00360/2017-2018/11055 as the Liquidator.

- 1.2 Pursuant thereto, an Application for commencement of the Liquidation of the

Corporate Debtor was filed before this Hon'ble National Company Law Tribunal, Mumbai. The said application was allowed by this Hon'ble Tribunal vide its order dated 26th February 2020 thereby commencing the liquidation process of the Corporate Debtor and was pleased to appoint Santanu T. Ray, Regd. No. IBBI/IPA-002/IP-N00360/2017-18/11055, the undersigned as Liquidator for the purpose of carrying out the liquidation of the Corporate Debtor. Accordingly, the Liquidator has made a public announcement in Form B of Schedule II on 4th of March, 2020 in the newspapers namely Economic Times, all India Edition and Navshakti, Mumbai edition, calling upon the stakeholders to submit their claim and the last date for submission of claim was 2nd of April, 2020.

1.3 The Liquidator seeks for exclusion of the period of Lockdown imposed by the central government in light of the Covid-19 Pandemic between 23rd March 2020 and 31st August 2020 (i.e. 161 days) from the duration of the Liquidation Proceeding of One year in accordance with Regulation 44(1) of the Liquidation Process Regulation. Further, the Liquidator seeks an extension of the period of Liquidation of the Corporate Debtor by another One year from 11th August 2021 (i.e. expiry of liquidation period after excluding 161 days). The said Application was allowed by 29th July, 2021.

1.4 That upon taking over the charge as the Liquidator of the Corporate Debtor, it came to the knowledge of the Liquidator that majority and substantial assets of the Corporate Debtor have been attached/seized by the Directorate of Enforcement. That it is the statutory duty and obligation of the Liquidator to ensure that the assets of the Corporate Debtor, in liquidation are liquidated at the earliest. The realization from such sale of assets is required to be distributed among the various stakeholders. It is also obligation of the Liquidator that maximum value of the assets of the Corporate Debtor is realized. It is in order to fulfill these obligations and to ensure smooth and legal process of sale of the Assets belonging to the Corporate Debtor, the Liquidator filed I.A No. 1261, 1401 & 1853 OF 2020 in C.P. NO. 2096/(MB)/2019 interalia seeking for de-

attachment/de-seizure of the assets belonging to the Corporate Debtor and handing over the custody thereof to the Liquidator/ Applicant herein.

- 1.5 The Liquidator filed an Application before this Hon'ble Tribunal I.A NO. 1261 OF 2020 IN C.P. NO. 2096/(MB)/2018 seeking for orders for de-attachment of assets belonging to Firestar Diamond International Private Limited, attached by Directorate of Enforcement vide Provisional Attachment Order ("PAO") nos. 02/2018, 06/2018, 5/2019 which came to be confirmed vide Orders dated 6th August, 2018, 12th November 2018 and 15th July 2019 respectively passed by the Hon'ble Adjudicating Authority, under the Prevention of Money Laundering Act 2002.
- 1.5.1 The Liquidator filed an Application before the Hon'ble Tribunal I.A NO. 1401 OF 2020 IN C.P. NO. 2096/(MB)/2018 seeking for orders for de-seizure of assets belonging to the Firestar Diamond International Private Limited, seized in search conducted u/s. 17(4) of the Prevention of Money Laundering Act 2002 (hereinafter referred to as the "PMLA") by the Respondent on the premises of the Corporate Debtor and retention of seizure allowed vide order passed by the Hon'ble Adjudicating Authority under the PMLA in OA-No. 185/2018 dated 2nd August, 2018.
- 1.6 The Liquidator filed an Application before this Hon'ble NCLT, Mumbai vide case bearing I.A. No. 1853 OF 2020 IN C.P. NO. 2096/(MB)/2018 seeking for orders for de-seizure of assets belonging to the Firestar Diamond International Private Limited, seized by the Directorate of Enforcement and recorded in Panchnama drawn on 15th, 16th, 17th February, 2018.
- 1.7 That Major and substantial assets of the Corporate Debtor are attached by the Directorate of Enforcement under the provisions of Prevention of Money Laundering Act, 2002. The Hon'ble Special Judge under the Prevention of Money Laundering Act, 2002 (PMLA) at Greater Bombay in Application Exhibit No. 113 in PMLA Special Case No. 4 of 2018 passed an order dated 13th

August, 2021 directing the Directorate of Enforcement to release the assets of the CD to the Liquidator. Therefore, all the assets belonging to corporate debtor remain to be handed over to the Liquidator and to be sold and realized. Accordingly, the ED had initiated the process of handover of the Assets of the CD and the Assets released are categorized as Liquid Assets (Comprising the de-attached Bank accounts of the CD, shares held by the CD) and Physical Assets (Comprising the de-attached Immovable Properties and movable assets such as equipment and inventory of the CD).

- 1.8 This document covers the terms and conditions and Reserve Price as may be declared for the sale of the entirety of the shares held by the Corporate Debtor in the Rhythm House Private Limited (i.e., 99.77% of the shareholding owned by the Corporate Debtor) vide this E-Auction.
- 1.9 It is the endeavor of the Liquidator to conduct the sale of the assets of the Company, as per the Liquidation Order dated 26/02/2020 and in accordance with the provisions of IBC and the Liquidation Process Regulations for sale of the corporate debtor through E- Auction, read with any other Applicable Law(s) in the manner specified in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.
- 1.10 The E-Auction would be conducted in the manner specified in the Liquidation Process Regulations and any other rules, regulations, orders, circulars, directions or notifications issued pursuant to or under IBC or the Liquidation Process Regulations, as the case may be, and as per directions, if any, of the NCLT in respect of the liquidation process of the Company and in the manner as specified in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.
- 1.11 The Bidders are encouraged to make themselves acquainted with the provisions of the IBC and the Liquidation Process Regulations and any other

rules, regulations, orders, circulars, directions or notifications or the like, issued pursuant to or under the IBC or the Liquidation Process Regulations, as the case maybe.

2. AN OVERVIEW OF THE COMPANY

The Corporate Debtor was incorporated under the Companies Act, 1956 on 9th September, 2006 in the name of “Jewelry Creators International Private Limited”. The Corporate Debtor was later renamed as “Firestone Diamond Private Limited” and subsequently renamed as “**FIRESTAR DIAMOND INTERNATIONAL PRIVATE LIMITED**” on 5th October 2011. The Corporate Debtor was primarily incorporated with the object to carry on the business and activities of manufacturing, cleaving, sawing, cutting, polishing, processing, indenting, assorting, model making, casting, polishing, preparing, studding, furnishing, refining, enameling and of buying, selling, importing, exporting, supplying, distributing and dealing in cut and uncut gems, cut and uncut diamonds, industrial diamonds, boart whether rough or coarse or polished, cut and uncut precious and semi-precious stones and pearls, whether real or cultured rubies, synthetic gems, plain and studded jewelry in gold, platinum, silver, copper, brass their alloys and other metal and studded with diamonds, pearls, synthetic gems, precious and semi-precious stones.

As on the Liquidation Commencement Date Mr. Nirav Deepak Modi & Haresh Vrajlal Shah are the only Director/signatory of the Corporate Debtor as per the MCA records. It is pertinent to re-iterate herein that Mr. Nirav Modi has been absconding from the country from early 2018 and the offices/factories and all other major and substantial assets of the Corporate Debtor had been attached by the Enforcement Directorate.

2.1 **Present Status**

The Hon’ble NCLT vide its Liquidation Order dated 26/02/2020 has ordered commencement of liquidation process of the Company as per Section 33 of the IBC read with Liquidation Process Regulations. The Liquidator is in the process

of inviting qualified bidders to participate in the E- Auction for sale of Assets of the Company in accordance with the provisions of IBC and Liquidation Process Regulations, subject to the terms laid down in this E-Auction Process Document.

3. ELIGIBILITY

A Bidder shall not be eligible to submit a Bid in relation to the sale of the Assets of the Company if it fails to meet the Legal Criteria and Pre-Bid Qualifications as set out below:

Legal Criteria:

Proviso to Section 35A (f) of the IBC provides that the Liquidator shall not sell the assets of the Company to any person who is not eligible to be a resolution applicant. Section 29A of IBC defines the persons not eligible to be resolution applicant. Section 29 A of the IBC is reproduced as below for reference purposes only:

“Sec 29A. Persons not eligible to be resolution applicant:

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 un-discharged 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 non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) 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:

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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) is subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or*

- i) 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”.*

PRE BID QUALIFICATIONS

A bidder shall not be eligible to submit a bid during the auction process, if the following eligibility criteria, being the pre-bid qualifications are not met:

1. The bidder being an individual (including NRI/OCI/PIO/Foreigner) / HUF/ firm/ body Corporate should have minimum net worth of INR 10,00,00,000/- (Rupees Ten Crores only) in the latest Financial Year.
2. The bidder being a Joint Venture/ Special Purpose Vehicle/ Consortium should have minimum net worth of INR 20,00,00,000/- (Rupees Twenty Crores only) in the latest Financial Year at group level.
3. The bidder being Asset Reconstruction Company (ARC) / Financial Institution/ NBFC's/ Other Financial Investors / Alternate Investment Funds should have minimum asset under management of INR 100,00,00,000/- (Rupees One Hundred Crores only) or more in the latest Financial Year.

Further, none of the connected persons of the categories mentioned above including its directors/designated partners/partners have been convicted for

any criminal offence under the Indian Criminal Laws; Is not prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;

The onus is on the Bidders, especially Foreign Bidders, to ensure that they are wholly eligible to take part in the E-Auction and participate in the bid for the purchase the Assets belonging to the Corporate Debtor and to provide the requisite Affidavits, documents to prove that they are fully compliant with the various laws, rules, regulations, policies laid down by the Government of India including but not limited to the Foreign Exchange Management Act 1999, the Foreign Trade (Development and Regulation) Act, 1992, the Customs Act 1962, the Securities and Exchange Board of India Act, 1992 and all other Applicable Laws in India. Any lapses, breaches, contraventions, violations of any of the Applicable Laws in India shall result in the automatic disqualification of the Bidder, irrespective of the stage of the E-Auction. Such disqualified Bidders shall stand to forfeit and lose the EMD, if any paid, and the Liquidator cannot be held responsible for the same. The responsibility of ensuring complete compliances with the laws in force in India shall vest in entirety with the Bidder only.

Prior to bidding, the bidder is required to provide the latest last 3 Audited Financial Statements and other necessary documents required to assess the above criteria to the Liquidator. The Liquidator has a discretion to accept bids/offers/interest beyond the above minimum eligibility criteria, in case, the same ensures highest realization to the stakeholders.

4. DOCUMENTS REQUIRED TO BE SUBMITTED TO ASCERTAIN ELIGIBILITY OF THE BIDDER

- 4.1 The Bidder would need to submit the following forms, documents and authorizations as part of the E-Auction by the Bidder(s) as per the timelines prescribed in this E-Auction Process Information Document for the Sale of the

Shares owned by the Corporate Debtor in Rhythm House Private Limited:

- 4.2 An Eligible Bidder shall submit the duly filled and signed Bid Application Form attached vide Annexure II ('Bid Application Form') with respect to each auction for which the intending bidders are required to submit a bid along with
- Notarized affidavit as per the format set out in Annexure I, (Where the Affidavit is submitted by a Bidder who is a Foreigner / PIO / OCI/ NRI, then the said affidavit will have to be appropriately apostilled at the concerned Embassy, i.e., Indian Embassy for OCI and NRI and Foreign Embassy for Foreigner and PIO);
 - Bid Application as per format set out in Annexure II,
 - A duly signed declaration as per the format set out in Annexure III,
 - A duly signed Board Resolution (in case of a Company)
 - Latest Audited Financial Statements
 - Proof of payment of the EMD
 - KYC Documents as mentioned below:

[A.] Individual Bidders or Bidders in the nature of Hindu undivided families ("HUFs") would be required to submit the following:

1. Copy of the valid passport or voter's ID or valid driving license or Aadhar card or OCI Card or PIO card or photo identity card issued by Govt./ PSU; and
2. Copy of the permanent account number ("PAN") card and in case the copy of the PAN card is not available with the Bidder, an affidavit stating the reason for not holding a valid PAN card on a stamp paper of Rs. 100 (Rupees One Hundred only) in lieu of the PAN card shall be submitted.

It is clarified that in the case of an HUF, the Karta of the HUF would have to submit his own passport/ voter ID/ driving license/ Aadhar card/photo identity card issued by Govt. / PSU.

[B.] Non-Resident Indian(s) would be required to submit the following documents:

- their passport and residence visa copies duly attested by foreign offices or notary public or the Indian embassy or OCI Card (as may be applicable); and
- a copy of the PAN card and in case the copy of the PAN card is not available with the Bidder, an affidavit stating the reason for not holding a valid PAN card on a stamp paper of Rs. 100 (Rupees One Hundred only) in lieu of the PAN card shall be submitted.

[C.] Proprietary concerns shall submit any two documents evidencing the identity and address proof of the proprietor and proprietorship concern. The proprietor should also provide a copy of the permanent account number (“PAN”) card and in case the copy of the PAN card is not available, an affidavit stating the reason for not holding a valid PAN card on a stamp paper of Rs. 100 (Rupees One Hundred only) in lieu of the PAN card shall be submitted.

[D.] Partnership firms and limited liability partnerships shall be required to submit any two documents providing the identity and address proof of the partnership or limited liability partnership, as applicable, any 2 (two) documents evidencing the identity and address proof the partner authorized to act on behalf of the partnership or limited liability partnership, as the case may be, and the following documents:

- i. Registration certificate or incorporation certificate, if any, as applicable;
- ii. Partnership deed or limited liability partnership agreement, as applicable;
- iii. An officially valid document in respect of the person holding a power of attorney to transact on behalf of the partnership or copy of the resolution passed by the partners of the limited liability partnership or other valid document evidencing authority of the designated partner to transact on behalf of the limited liability partnership; and

- iv. Copy of the permanent account number (“PAN”) card of the partnership firm/ limited liability partnership and in case the copy of the PAN card is not available, an affidavit stating the reason for not holding a valid PAN card on a stamp paper of Rs. 100 (Rupees One Hundred only) in lieu of the PAN card shall be submitted.

[E.] Companies shall be required to submit any two documents evidencing the identity and address proof of the company and the following documents:

- i. Certificate of incorporation;
- ii. A resolution from the Board of Directors granted to any authorized person to transact on its behalf with respect to the matters contemplated herein;
- iii. A Copy of the Memorandum of Association and Articles of Association of the company; and
- iv. Copy of the permanent account number (“PAN”) card of the company and in case the copy of the PAN card is not available, an affidavit stating the reason for not holding a valid PAN card on a stamp paper of Rs. 100 (Rupees One Hundred only) in lieu of the PAN card shall be submitted.
- v. Details of the ultimate beneficial owner of the Bidder.

4.2.1 It is clarified that no power of attorney would be accepted, and the person authorized to act on behalf of a company must be so authorized only by means of a resolution of the board of directors of the company.

4.2.2 The Form should be duly filled in and complete with all the relevant details duly filled and the duly filled and signed Declaration by Bidders attached vide Annexure III (‘Declaration’)

4.2.3 The Liquidator reserves the right to call for KYC documents of the Company anytime during the auction period or after the auction period (in case of

successful bidders). The Liquidator shall send an email for such request to such bidders, who in turn, shall produce the required original documents within 5 days of such email.

- 4.3 All the categories of Bidders [A.] to [E.] mentioned hereinabove shall mandatorily submit to the Liquidator their respective ownership structure and composition, proof of identification, proof of current address, net worth certificate certified by a qualified Chartered Accountant, Income Tax Returns (“ITR”) for last three financial years, PAN card, valid e-mail ID, OCI/PIO Card (if applicable), Passport (if applicable) landline and mobile phone numbers etc.
- 4.4 The interested bidder must submit the Affidavit and Undertaking and Confidentiality Undertaking (through Authorized Signatory, in case the bidder is a legal entity). The format for the Affidavit and Undertaking is attached vide **Annexure I** and the format for the Confidentiality Undertaking is attached vide **Annexure V**.
- 4.5 The interested bidder must submit the details under **Annexure VI** and provide the undertaking and affidavit for eligibility under **Annexure VII**.
- 4.6 A Qualified Bidder will need to submit the duly filled, signed and stamped Bid Application Form attached vide **Annexure II**, and duly filled, signed and stamped Bid Declaration Form by Bidders attached vide **Annexure III**. Please note that only the Qualified Bidder(s) will gain access to Data Room in relation to the Assets of the Corporate Debtor required for due diligence after due submission of the requisite forms, documents and authorizations; Affidavit and Undertaking; executing a Confidentiality Undertaking stated in paras above.
- 4.7 Further, it should be noted that at any stage of the E-Auction Process, the Liquidator may ask for further documents from the Bidder(s) to evaluate their eligibility. The Liquidator, at his discretion may disqualify the Bidder(s) for non-submission of the requested documents.

5. ASSESSMENT AND EXAMINATION OF DOCUMENTS MADE AVAILABLE IN THE DATA ROOM:

- 5.1 It is clarified that the physical inspection of the underlying Assets of Rhythm House Private Limited would be permitted to the Qualified Bidders who are eligible to participate in the E-Auction at a time specified by the Liquidator for the purposes of inspection, conducting due diligence, scrutiny, examination, evaluation, assessment, viewing, by the Qualified Bidders.
- 5.2 The Qualified Bidders will be allowed access to the virtual, confidential Data Room and they shall peruse, evaluate and examine the documents, reports provided and/or that shall be made available to them therein.
- 5.3 The Assets, i.e., the shares of Rhythm House Private Limited would be provided by the Liquidator in the form of a Dematerialized Account format (“Demat”).
- 5.4 The Qualified Bidder is expected to make its own arrangements for making an independent assessment of the Assets made available and provided by the Liquidator. All costs and expenses incurred in relation to such independent valuation and assessment shall be borne by the Qualified Bidder. Physical inspection of the underlying Assets of Rhythm House Private Limited would be granted to the Qualified Bidder for the purpose of carrying out its independent valuation and/or due diligence also.
- 5.5 The Qualified Bidder(s) may carry out its own comprehensive due diligence in respect of the Company and shall be deemed to have full knowledge of the condition of the Company, its assets, relevant documents, information etc. whether or not the Qualified Bidder verifies the documents, reports provided and made available by the Liquidator.
- 5.6 The Qualified Bidder shall not be entitled to receive any reimbursement of any

expenses which may have been incurred in carrying out of due diligence, search of title to the assets and matters incidental thereto or for any purpose in connection with the Bid.

- 5.7 Any delay in completion of the appraisal of the Assets, the assessment, valuation of the documents and reports provided in the Data Room with regards to the Assets by the Qualified Bidder, shall not entitle the Qualified Bidder to any extension in the timelines, including but not limited to the submission of the Bid(s) and requisite financial closure, by or before the last date for submission of the Bid. The Qualified Bidder(s) shall not be provided any additional time for undertaking diligence or be provided access to the Data Room, after the last date of accessing the Data Room.
- 5.8 While the data/information provided in this document and the Data Room, has been prepared and provided in good faith, the Liquidator and his Representatives shall not accept any responsibility or liability, whatsoever, in respect of any statements or omissions herein, or the accuracy, correctness, completeness or reliability of the information provided, and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability and completeness of the information provided, even if any loss or damage is caused to any of the Qualified Bidders by any act or omission on their part.
- 5.9 The principle of *caveat emptor* (let the buyer beware) shall apply to the Auction. No complaints or grievances by the Qualified Bidder shall be entertained by the Liquidator/Corporate Debtor after the auction closure including issues/queries pertaining to tax liabilities, society charges, costs, etcetera pertaining to any Assets etc.
- 5.10 The liquidator had received the Demand Notice from the Income tax department dated 29/03/2024 for an amount of Rs. 34,49,26,113/- (Rupees Thirty Four Crores Forty nine Lakhs Twenty Six Thousand One Hundred

Thirteen only) for the assessment year 2018-2019, further the Liquidator approached the Hon'ble Bombay High Court and filed the writ petition vide writ (L) NO. 14011 OF 2024 and the same was allowed by the Hon. Bombay High Court and the Demand notice quashed by the Hon'ble Bombay High Court vide order dated 06/05/2024.

- 5.11 The Liquidator had filed an application before NCLT for direction to ROC to change the Directors and Nominate the Liquidator and CA Anand Sonbhadra and the same was allowed. In furtherance to the above order the liquidator has filed the necessary forms through the back end process for appointment of himself and CA Anand Sonbhadra (as was approved by the SCC in its 8th meeting dated 03/10/2023. The ROC may take a month or two to carry out the changes.
- 5.12 The Income Tax authorities have passed an order adding back the Rs. 19.65 crores plus interest and penalties amounting to around 32 crores on Rhythm House Pvt. Ltd. Treating the Rs. 19.65 crores that FDIPL had loaned to RHPL to purchase the Kohinoor City property as unexplained cash credit. Though the Liquidator had given all the details which clearly showed that the funds were transferred to the subsidiary company legally. Hence the order was challenged by way of a writ petition in the High Court Seeking quashing of the order. The Hon'ble High Court of Bombay was pleased to quash the demand vide its order dated 06/05/2024.
- 5.13 The Liquidator had served the order on the Income Tax for removal of the demand from their portal however the ITO is still to comply with this order. As their appeal period is already over and they have not served a copy of the appeal to us, it seems they have not filed an appeal in the Supreme Court. Hence we will make efforts that they comply with the HC order. Till such day the demand will reflect as a contingent liability in the balance sheet of Rhythm House Private Limited.

5.14 The liquidator had received the demand notice from Brihan Mumbai Maha Nagar Palika dated 26/07/2024 as an outstanding payment of property tax amounting to Rs. 65,84,653/-. The Kohinoor city property of Rhythm House has been attached by the BMC.

5.15 The Buyer will have to pay the Municipal Taxes and Society dues to the respective authority. It is pertinent to note that Rhythm House is not under CIRP/ Liquidation and hence there is no immunity to the buyer from these dues the buyer has to pay them. The dues as on date work out to approximating 2 crores and are accruing.

6. SALE UNDER LIQUIDATION.

6.1 The Liquidator under this E-Auction Process Document, proposes the sale of the specified Assets of the Corporate Debtor in accordance with the provisions of the Insolvency and Bankruptcy Code, 2018. **The procedure for the E-auction Process and the declaration of the Successful Bidder shall be as per the terms of the E-Auction Process Document.**

Please refer **Annexure-VIII “Description of Assets & Liabilities”** for detailed description of above-mentioned assets and liabilities that shall be entailed.

The Successful Bidder shall bear the applicable stamp duties/ additional stamp duty / transfer charges, fee, taxes, Good and Services Tax, etc. and also all the statutory/ non statutory dues, taxes, insurance premiums/ license, approval and permission transfer fees, rates assessment charges fees etc. owed to any Person from the date of declaration as the Successful Bidder. No tax liability of any sort whatsoever can be foisted upon the Liquidator.

Estimates of Assets and Liabilities of Rhythm House Private Limited. Whose shares are offered for sale vide this e-Auction.

1) The latest signed and audited Financial Statements of the Corporate Debtor available with the Liquidator is for the financial year ending 31st March, 2017

and standalone balance sheet as on 30th September 2017. The Liquidator has got the Financial Statements Updated and Audited till March 2024 which are uploaded in the data link for the purpose of due diligence by a prospective bidder.

Further, it is appurtenant to mention herein that Rhythm House Private Limited has been non-functional since the time the shares were purchased by the Corporate Debtor in 2017. It is also to be noted that the assets of Rhythm House Private Limited were also attached by the Directorate of Enforcement under the provisions of the Prevention of Money Laundering Act, 2002. However, pursuant to the steps taken by the Liquidator, the Hon'ble Special Judge under the Prevention of Money Laundering Act, 2002 (PMLA) at Greater Bombay in Application Exhibit No. 113 in PMLA Special Case No. 4 of 2018 passed an order dated 13th August, 2021 directing the Directorate of Enforcement to release the assets of the CD to the Liquidator. Therefore, all the assets belonging to Rhythm House Private Limited were de-attached and the shares owned by the Corporate Debtor in Rhythm House Private Limited have subsequently been released by virtue of the aforesaid Order & have been allowed to be sold and realized the Liquidator.

7. DUE DILIGENCE/DATA ROOM/CLARIFICATIONS

- 7.1 The Liquidator shall endeavor to provide necessary assistance, facilitating the provision of the share certificates DeMAT holding statement and other necessitated documents in the digital form for the purpose of review by the Qualified Bidders. The said documents will be uploaded in the special link created for the prospective auction bidders to view and download for the purposes of conducting any further due diligence by the Qualified Bidders. The information and documents shall be provided by the Liquidator in good faith, by electronic means to the prospective bidders on request. No further information, data, documentation in this regard will be provided by the Liquidator and/or his representatives apart from what shall be made available in the Data Room.

- 7.2 The Liquidator proposes sale of the Assets of the Corporate Debtor in accordance with the provisions of IBC and Liquidation Process Regulations on “As is where is basis”, “As is what is basis”, “Whatever there is basis” and “No recourse” basis and the proposed sale as specified above does not entail transfer of any title, except the title which the Corporate Debtor has on the Assets as on date of the transfer. All local taxes / maintenance fee / electricity / water charges/ annual lease rentals / unearned income in case of leasehold assets/ insurance premiums/license renewal fees/ license transfer fees and other charges, costs and expenses in connection with the Corporate Debtor or any of its assets as determined by the Liquidator, etc., outstanding as on date or yet to fall due in respect of the relevant asset should be ascertained by the Bidder and would be borne by the Successful Bidder from the date of declaration as Successful Bidder and shall be due and payable immediately as and when intimated by the Liquidator or along with the payment of the balance Sale Consideration (at the Liquidator’s discretion), as per the instructions of the Liquidator but shall in any event be payable prior to issuance of the sale certificate/sale deed by the Liquidator in favor of the Successful Bidder.
- 7.3 It must also be noted that the Liquidator does not give any assurance or warranty of the physical condition of the assets and their suitability for any sort of operation that the Bidder envisages.
- 7.4 **Clarifications with regards to the Data Room and E-Auction:**
- 7.4.1 While the data/ information provided in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and the Data Room, has been prepared and provided in good faith, the Liquidator and their Representatives shall not accept any responsibility or liability, whatsoever, in respect of any statements or omissions herein, or the accuracy, correctness, completeness or reliability of the information provided, and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability and completeness of the information provided, even if any loss or damage is caused to any of the Bidder

by any act or omission on their part.

- 7.4.2 It is further clarified that the data/information provided has been prepared on the basis of data available books of accounts, financial statements, Company's website & MCA. Reasonable care has been taken in compiling various data and information, however the Liquidator along their advisors, consultants, representatives, make no representation or warranties, express or implied, as to the quality, accuracy, authenticity, correctness, fairness and completeness of the data provided in the Data Room, and assume no liability whatsoever in respect of any inaccuracy, incompleteness, or omissions in the data provided in the Data Room.
- 7.4.3 Any clarification uploaded in the Data Room shall be binding on all the Bidders and shall be deemed to form part of this E -Auction Process Information Document. No request for modifications of the clarifications shall be entertained, however, the Liquidator, may, in a fit case and as per his discretion, issue modification to the clarifications, if required. Such modification(s) shall be binding on all the Bidders and shall be deemed to modify the clarification and be read as a part of this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.
- 7.4.4 A Bidder requiring any clarification on this E- Auction Process Information Document, Liquidation Process, and submission of the Bid or on the Company shall email such request for clarification to liquidator.firestar.diamond@aaainsolvency.com with a copy to santanutr@aaainsolvency.com.
- 7.4.5 The Liquidator reserves the right not to respond to any query or provide any clarification, at their sole discretion, and no extension of time and date referred to in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited shall be granted on the basis of not having received response to clarifications sought from

the Liquidator. Nothing in this Clause shall be considered or read as compelling or requiring the Liquidator to respond to any query or to provide any clarification to the queries raised by a bidder. The Liquidator will not be held responsible for any delay in response or non-response to clarifications raised by the Bidder.

8. MODE OF SALE AND AUCTION PROCESS

8.1 The Liquidator proposes to conduct the sale of the specified Assets of the Corporate Debtor as contemplated under Regulation 32(a) to (d) of the IBBI Liquidation Process Regulations, 2016 through E-Auction Process Document.

8.2 The Successful Bidder shall be required to complete the sale of the specified Assets of the Corporate Debtor in accordance with the provisions of IBC and Liquidation Process Regulations, 2016.

8.3 It is clarified that from the date of submission of the Bid, the Qualified Bidders shall not be entitled to withdraw, cancel or renegotiate the Bid under any circumstances or for any reason and by participating in this e-auction process, the Qualified Bidders specifically waive any such right to withdraw, cancel or renegotiate the Bid under all applicable law. In the event the Qualified Bidder makes any attempt to withdraw/cancel the Bid, renegotiate or does not complete payment of the Sale Consideration as per the timelines set out herein, the EMD, and any other amounts paid by the Bidder shall be forfeited and the Bidder shall not be entitled to a refund of the same.

8.4 Auction Process - Registration of Qualified Bidders on the Portal of the E-Auction Agency

- (i) After the Bidder has been classified as a Qualified Bidder, such Bidders can get themselves registered by visiting the Portal created by the E-Auction Agency and create an account as per the instructions mentioned on the Portal. Bidders will have to submit a valid e-mail ID, valid PAN Card and other KYC documents as required on the Portal for the purpose of registration. Once a Bidder registers itself on the Portal, a username and password for the Bidder's account shall be generated.

(ii) The Bidder(s) shall create its account on the Portal after accepting the terms and conditions on the Portal by clicking on the “I Accept” button. By accepting the terms and conditions on the Portal, the Bidder shall be deemed to have accepted that:

- The account shall be operated in accordance with the terms and conditions set out in this document and the terms and conditions of E-auction Agency;
- The confidentiality of the username and password of the account shall be the responsibility of the Bidder;
- The account shall be operated only by the Bidder or an authorised Representatives of the Bidder;
- The selections made on the account and the Bid submitted on the account shall be binding on the Bidder and the Liquidator shall be entitled to assume that the activities on the account have been performed under the rightful authority of the Bidder;
- Any Bid placed will be binding on the Bidder holding the relevant UIN and the same cannot be avoided on grounds of unauthorised access to the account of the Bidder or mistaken operation of the account;
- The Bidder shall be precluded from raising a dispute regarding unauthorised access and operations of the account.

(iii) The E-Auction Agency shall assist in the process of registration and all queries/ assistance in relation to the registration are required to be directed by the Bidders to the E-Auction Agency along with the Liquidator. It is clarified that the E-auction Agency, the Liquidator and his Representatives shall not incur any liability on account of any problems related to registration of the Bidders on the Portal. It is clarified that any expenses relating to the registration process will be borne by the Bidders and that the Liquidator or the Corporate Debtor will not be liable to pay or reimburse the same. Instructions and steps related to the process of registration, and details of contact persons of the E-Auction Agency will be hosted on the website of the Corporate Debtor by the Liquidator prior to the

commencement of registration on the Portal, so that the Bidder(s) can get themselves registered on E-Auction Portal. It is clarified that E-Auction Agency may require any Bidder(s) to furnish such documents/ information or clarification as it may deem fit for the purpose of successful registration.

- (iv) Once the Bidder has been successfully registered on the Portal, evidence of the same has to be provided to the Liquidator.
- (v) In the event any Bidder fails to register itself on the Portal, notwithstanding the fact that such Bidder may have provided the Bid Application Form and the Supporting Documents and the EMD, such Bidder shall not be entitled to participate in the Bidding Process, and no liability shall be incurred by the Liquidator or his advisors or the Corporate Debtor or the E-auction Agency in this regard.
- (vi) The Qualified Bidders will deposit earnest money to participate in the auction process.
- (vii) Thereafter, the E- Auction will take place as scheduled.

8.5 **Auction Process - Participation of Qualified Bidders in the e-Auction Process on the Auction Date:**

- i. E-auction for the acquisition/purchase of assets of the Corporate Debtor shall be conducted on the auction date. Live and open e-Auction shall be conducted on the Portal of the e-Auction Agency from 03:00 pm on the auction date and be open till 05:00 pm on the auction date. The Qualified Bidder(s) shall be required to submit their Bid on the Portal within the aforementioned timelines. It is clarified that in case any Qualified Bidder submits a Bid in the last 5 (five) minutes before the end time of 05:00 pm on the auction date, the duration of the E-Auction shall be automatically extended by another 5 (five) minutes. It is to be noted that each time a bid is received before the end time, the auction period will be further extended by a duration 5 (five) minutes till there is no further bid.

- ii. The Reserve Price for assets of the Corporate Debtor under the Bidding Process will be hosted on the Portal at the start of the E-Auction process. Any Bid submitted which is below the Reserve price shall be automatically rejected.
- iii. The Reserve Price for assets of the Corporate Debtor under the Bidding Process is exclusive of all applicable taxes and duties and the Qualified Bidder shall be required to bear all applicable taxes and duties as may be applicable. It is clarified that no incidence of tax or other rates will be applicable on or borne by the Liquidator/Corporate Debtor.
- iv. Every Qualified Bidders shall have the option to see the live status of the Bid(s) being received for the acquisition of assets of the Corporate Debtor and accordingly shall have the option to revise their Bid(s) during the Bidding Process. Such revision can only be in the nature of increment and not reduction in the Bid. In any case, the Bids received shall at all points of time be visible on the Portal.
- v. In case any Qualified Bidder wishes to increase the Bid proposed by it on the Portal, he may do so within the timelines mentioned in (i) above, in a manner that such increase shall be in an incremental bid of an amount that is equivalent to the sum specified and/or ascribed to the option of bid that is chosen by the Qualified Bidder on the E-Auction portal.
- vi. Upon the closing of the E-auction Process, and the bidding is time over, no modification, substitution or withdrawal to/of the Bid(s) shall be permitted thereafter.
- vii. The Bid submitted by the Qualified Bidder(s) for the acquisition of assets of the Corporate Debtor shall be reviewed by the Liquidator.
- viii. The Liquidator reserves the right to conduct due diligence on any Qualified Bidder(s) with the assistance of external agencies at any stage of the Bidding Process.

- ix. Each Bid of a Qualified Bidder, once submitted must be valid for acceptance by the Liquidator for a minimum period of 12 (twelve) months from the auction date including any revisions to such auction date. In case of extension of auction date, the validity period of the Bid shall also be deemed to be extended for a minimum period of 12 (twelve) months from such revised auction date. It is clarified for abundant caution that the Bid of the Successful Bidder approved by the Liquidator shall not be subject to any expiry and shall remain valid and binding on the Successful Bidder.

- x. In the event any Qualified Bidder(s) wishes to exit the Bidding Process prior to the auction date, the Qualified Bidder(s) must submit a prior written request to the Liquidator to irrevocably withdraw from the Bidding Process. Such written request must be submitted at least 2 (two) days prior to the auction date. Any request received post such date shall not be considered by the Liquidator. The EMD submitted by such Qualified Bidder(s) shall be refunded within 15 (Fifteen) days of receipt of such written request, unless not already invoked/forfeited and/ or the Qualified Bidder(s) has not violated any of the terms and conditions as set out in this Document.

8.6 **Auction Process - Declaration of the Successful Bidder by the Liquidator:**

- i. The Successful Bidder shall be finalized by the Liquidator based on the highest Bid submitted by the Qualified Bidders on the e-auction Portal. It is clarified that the decision for selection of the Successful Bidder will be solely at the discretion of the Liquidator, without any requirement to provide any reasoning or justification to any Bidder.

8.7 **Auction Process - Issuance of LOI to Successful Bidder:**

- i. The Liquidator shall issue the Letter of Intent to the Successful Bidder within such timelines mentioned in the instant E-Auction Bid Process Document, stating that such Bidder has been selected as the Successful Bidder, which is

required to be signed and accepted unconditionally by the Successful Bidder and returned to the Liquidator, and the terms of which shall be binding on the Successful Bidder.

- ii. It is hereby clarified that no commitment is being given by the Liquidator to carry out the sale of assets of the Corporate Debtor either before or post identification of the Successful Bidder by way of the e-Auction process, and that the Bidding Process may be cancelled at any time and at any stage by the Liquidator without assigning any reason or assuming any liability or costs.

8.8 **Auction Process – Payment of Sale Consideration by the Successful Bidder:**

- i. On the close of the auction, the Successful Bidder shall be required to deposit Sale Consideration within 30 days from the issuance of the LOI or a maximum of 90 days from the issuance of the LOI (“Consideration Payment Date”) as per Schedule I of the Liquidation Regulations into the bank account, details of which will be given in the LoI and every such communication shall have to be in writing.

Provided that payments made after thirty days shall attract interest at the rate of 12% in terms of the Paragraph 1(12) of Schedule I of the IBBI Liquidation Process Regulations:

Provided further that the sale shall be cancelled if the payment is not received within (90) ninety days.

- ii. Subsequently, post the receipt of the total Sale Consideration plus specified financial components to the tune of INR 19,62,31,587/- (Rupees Nineteen Crores Sixty-two Lakhs Thirty-One Thousand Five Hundred and Eighty Seven only) /- to be paid for the purpose of acquisition of the Assets, as determined by the Liquidator, the shares owned by the Corporate Debtor in Rhythm House Private Limited shall also be transferred to the Successful Bidder upon receipt of the total Sale Consideration and specified financial components. It is noted

that the said sum is a loan liability owed by Rhythm House Private Limited to the Corporate Debtor. Also, the aforesaid loan liability shall be assigned by the Corporate Debtor to the Successful Bidder, wherein the latter shall become the rightful assignee of the said debt. The Liquidator shall assist with the assignment of the debt as required for ensuring legal compliance. The Successful Bidder shall be required to make necessary payments to the concerned municipal authorities and to the Kala Ghoda Buildings Bhadekaru Co-operative Premises Society Limited also post the transfer of shares process is completed. The Liquidator shall not be held responsible in any way for any third- party claims/ rights/ dues w.r.t. Rhythm House Private Limited.

- iii. Failure to pay the entire Sale Consideration into the Liquidation Account within such aforesaid timeline shall result in cancellation of the LoI, forfeiture of the EMD submitted by the Successful Bidder without any intimation, rejection of the Bid submitted by the Successful Bidder and declaration as Defaulting Successful Bidder.

- iv. It is clarified that in the event the Successful Bidder does not pay the Sale Consideration as per this document, the Liquidator reserves the right to take such other actions including but not limited to annulling and restarting the Bidding Process. These actions shall not preclude the Liquidator from taking any other appropriate steps as per applicable laws against such Defaulting Successful Bidder. Additionally, in the event the Successful Bidder is unable to complete the transaction for whatsoever reason, the Liquidator, , in consultation with the Stakeholders Consultation Committee shall have the right to call upon the next highest Qualified Bidder(s), provided the Bid value of such next highest Qualified Bidder(s) is greater than or equal to the Reserve Price, to complete the transaction. Such an option subject to the consent of the Stakeholders Consultation Committee and shall not cause to form any right in favour of any Qualified Bidder. The Liquidator shall be entitled to call upon the next highest Qualified Bidder(s) subsequent to failure by the Successful Bidder, by issuing the LoI to such next highest Qualified Bidder, and such subsequently

selected highest Qualified Bidder shall be deemed to be then the Successful Bidder. In any case, the Liquidator may repeat such steps of the Bidding Process of this document as deemed fit in the sole discretion of the Liquidator. Notwithstanding anything else contained herein, the Liquidator reserves the right to take any and all measures required for maximization of the value of the Corporate Debtor being auctioned.

8.9 **Auction Process - Issuance of Certificate of Sale:**

- i. On payment of the full amount of sale consideration, and any applicable GST/taxes, registration fees, stamp duty, liabilities etc. if any, by the Successful Bidder, the Liquidator shall execute Certificate of Sale, as the case may be, upon which the Sale shall stand complete, within 10 (ten) days from receipt of the sale consideration.
- ii. The Certificate of Sale will be issued and /or transaction / sale documents will be executed in the name of the Successful Bidder or its assignee on submission of affidavit under section 29A as provided under Annexure III. The Liquidator shall take steps to ensure that the transfer of shares to the Successful Bidder also takes place after the receipt of the total sale consideration.
- iii. It is expressly stipulated that there are no implied obligations on the part of the Liquidator to do all acts, things and deeds whatsoever for the completion of the sale.
- iv. The sale shall be subject to conditions prescribed under the IBC and provisions and regulations thereunder.
- v. If the sale attracts stamp duty, registration charges, GST and any other taxes as per relevant laws, it has to be borne by the Successful Bidder in addition to the sale consideration.
- vi. The Successful bidder will be responsible to pay the liabilities towards Society dues, electricity dues, municipal taxes dues of Rhythm House Private Limited

to the respective authorities directly.

- vii. Certificate of Sale may be collected in person by the Successful Bidder or through an authorized person only on submission of appropriate authority, to the satisfaction of the Liquidator.
 - viii. It is specifically clarified that upon the issuance/execution of Certificate of Sale, the ownership, risk and title to the assets of the Corporate Debtor shall stand transferred to the Successful Bidder and the Liquidator/ his Representatives/ his professional advisors shall be released of any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and / or performance of any obligations set out under this document, and / or in connection with the Bidding Process, and waives any and all rights and / or claims, the Successful Bidder may have in this respect, whether actual or contingent, whether present or in future. The legal or beneficial interest, right or title over the assets of the Corporate Debtor shall be issued, vested, transferred pursuant to the Successful Bid, to the Successful Bidder pursuant to issuance/execution of the Certificate of Sale on an "as is where is", "as is what is", "as is how is" and "without recourse basis" and without any representation, warranties or indemnities.
 - ix. The Liquidator will not be responsible for the upkeep, maintenance or security of the Assets after the handover of the Assets to the Successful Bidder.
 - x. Further, the responsibility for the said Assets from the said date of hand over to the Successful Bidder shall rest entirely with the Successful Bidder. From the moment of handover of the Assets to the Successful Bidder, no liability, responsibility of any kind whatsoever can be foisted upon the Liquidator and/or his representatives, at any time.
- 8.10 Upon the payment of balance sale consideration, the sale of the asset/s shall stand completed and the Liquidator shall execute a certificate of sale or sale

deed to consummate the sale transaction as contemplated under this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and the Liquidation Process Regulations.

- 8.11 It is clarified that any necessary approvals, consents, reliefs that may be required to be obtained by the Successful Bidder with respect to sale of the asset/s as contemplated in E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited have to be obtained by the Successful Bidder without any deviation from the time frame for payment of balance Sale Consideration as stipulated hereunder. The Liquidator shall not be obligated to relax any obligation of the Successful Bidder due to any failure to obtain such necessary approvals, consents, reliefs that may be required by the Successful Bidder to consummate the transaction within the timelines set out hereunder.
- 8.12 At the risk of repetition, it is reiterated that, on receipt of the entire Sale Consideration from the Successful Bidder, the Liquidator shall execute a sale certificate in favour of the Successful Bidder for transferring the Assets(Shares) of the Company which are part of the present auction that would have been successfully acquired by the bidder by submitting the highest bid.
- 8.13 The Qualified Bidder will have to deposit Earnest Money Deposit as specified in this document, for him to participate in the bid. A Qualified Bidder intending to participate in bidding shall need to specify the same in the bid documents submitted by him to the Liquidator.
- 8.14 The Liquidator reserves the right to alter, modify, cancel or relax any of the terms and conditions mentioned in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited in the interest of the liquidation process of the Company including cancellation of the E-Auction Process at any point of time. Any such

alteration, modification, cancellation or relaxation of E-Auction Process shall be binding on the Bidder.

- 8.15 The Qualified Bidders, participating in the E-Auction Process, will have to Bid for an amount not less than the Reserve Price for acquiring the assets of the Company. A Qualified Bidder may improve its offer, multiple times during the E-auction process.
- 8.16 The attention of Qualified Bidders is invited to the fact that the Bidders cannot place a Bid for a value below the Reserve Price. Such Bid will stand automatically disqualified.
- 8.17 The access to the details of the assets of the Company/ Data Room will be provided only to Qualified Bidder, subject to submission of the requisite forms, documents and authorizations; Affidavit and Undertaking; executing a Confidentiality Undertaking as provided in **Annexure-V** in the E-Auction Bid Process Document.
- 8.18 **OTHER TERMS OF BIDDING PROCESS:**

[I.] Right to disqualify or accept or reject any or all Bids:

Notwithstanding anything contained in this document, the Liquidator reserves the absolute right to accept or reject any Bids(s), if the Bid(s) are not in compliance with this document and/or the provisions of the Code and/or the Liquidation Regulations, and in any case, notwithstanding anything contained herein, reserves the absolute right to annul the Bidding Process and reject any or all Bids, at any time or at any stage, without any liability or costs or any obligation for such acceptance, rejection or annulment, and without assigning any reasons thereof for such actions. Without prejudice to the aforesaid, the Liquidator also reserves the absolute right to:

- a) disqualify any Bidder that is found to have made a false disclosure or made any misrepresentation with regard to its eligibility to participate in the Bidding Process or submit Bids, at any stage of the Bidding Process;
- b) disqualify any Bidder who does not provide the Earnest Money Deposit and/or the Supporting Documents in compliance with this document, and any Successful Bidder who does not pay the Sale Consideration as per the terms herein;
- c) annul the Bid Process and reject any/all Bids for any reason, at any point of time or at any stage, including if considered unsatisfactory or commercially unacceptable or below Reserve price as determined by the Liquidator, in its sole discretion, without any obligation to provide reasons or justifications, and if deemed fit move to other methods of Liquidation as per Regulation 32 of the Code;
- d) restart the Bidding Process and invite fresh bids either on the Auction Date itself or any subsequent date with or without prior intimation of the same. The Liquidator reserves the right to conduct subsequent rounds of the E- auction process with reduction in Reserve Price, as per the Code and Liquidation Regulations; and/ or
- e) select or approve any Bid, as it may deem fit, at any time.

[II.] The Bidder(s) acknowledge that:

- (a) If any Bidder is rejected/ disqualified for any reason whatsoever, the Liquidator may (subject to the code and the Liquidation Regulations):
- consider other Bid(s) received from other Bidder(s), whose Bid(s) is/are valid and is in compliance with this document and Code, including any deviations/amendments to the Bid, as may be allowed by Liquidator; or
 - annul the Bidding Process; or

- invite fresh Bids; or
- take any such measure as may be deemed fit at the discretion of the Liquidator including discussion with other Bidder(s).

(b) Acceptance or rejection by the Liquidator of the Earnest Money Deposit and/or the Supporting Documents received by the Liquidator after the Document Submission Date shall be subject to the sole discretion of the Liquidator.

[III.] A Bidder shall be ineligible to submit a Bid if the Bidder or any Person acting jointly or in concert with the Bidder or any of their connected person (as defined under Code), falls in any of the categories of ineligibility as set out in Format III. The Bidder(s) shall be required to submit an affidavit in the form set out in Format III to satisfy that they are not ineligible to submit a Bid.

9. TERMS AND CONDITIONS OF PARTICIPATION

In accordance with the terms of this document, each Bidder is deemed to have made the following acknowledgements and representations:

- The Bidder(s) shall, unconditionally and irrevocably, promptly upon demand, indemnify and hold harmless the Corporate Debtor, the Liquidator, his Representatives and his professional advisors against all actions, proceedings, claims, demands, losses, liabilities, damages, costs and expenses imposed, asserted against or incurred by the Corporate Debtor, the Liquidator, his Representatives and his professional advisors arising out of or pursuant to or in connection with a breach of the obligations of the Bidder(s) under this document, the Bid(s) and/or the LoI or in the event the Bidder(s) withdraws the Bid(s) post the timelines mentioned herein, or withdraws from the Bidding Process pursuant to the approval of the concerned Bid(s) by the Liquidator or delays in the implementation of the Bid(s).

- The Bidder(s) represents that the Bidder(s) is in compliance with the requirements set out under the Applicable Laws for participating in the Bidding Process and executing the Bid. The Bidders who are Foreigners, further affirm that they are fully in compliance with the laws in force in India and are also in complete adherence to any treaties, bilateral or otherwise, between India and the concerned foreign nation and are acting in accordance with all the international conventions binding on the Bidder and India.
- The Bidder(s) represents to the Corporate Debtor and the Liquidator or his Representatives that it has the necessary financial resources available for the purpose of implementation of the Bid(s), for the consideration, stated in the Bid(s).
- The vesting of any legal or beneficial interest, right or title over asset(s) of the Corporate Debtor shall be issued, vested, transferred pursuant to the Successful Bid, to the Successful Bidder on an “as is where is”, “as is what is” “as is how is” and a “without recourse basis”.
- The Successful Bidder represents to the Corporate Debtor and the Liquidator that it has obtained all the requisite corporate authorizations and regulatory approvals required for submission of the Bid(s), and has also obtained or shall obtain necessary authorisations & regulatory approvals for the acquisition of assets of the Corporate Debtor, as may be required in compliance of the applicable laws, for the time being in force.
- The Successful Bidder acknowledges that it shall fulfil all the terms of this document, LoI and the Bid(s) (as submitted by it and as accepted by the Liquidator), if it is declared as a Successful Bidder upon the completion of the Bidding Process.
- The Successful Bidder acknowledges that all information submitted by it is complete, strictly as per the requirements stipulated in this document and is true and correct.

- The Successful Bidder acknowledges that no modification, alteration, amendment or change may be made to the Bid Application Form/ EMD/ Supporting Documents submitted by a Bidder except as provided in this document.
- The Bidder(s) should regularly visit the Data Room and the website of the Corporate Debtor to keep themselves updated regarding clarifications/amendments/time extensions, if any, in relation to the Bidding Process.
- The Bidder(s) agree and acknowledge that encashment or forfeiture of the Earnest Money Deposit is not the only remedy available to the Liquidator, and the Liquidator shall have the unfettered right to initiate appropriate legal proceedings against the Bidder(s) as it deems fit for the damages recovery of losses caused to the Liquidator and/or the Corporate Debtor on account of withdrawal of the Bid or non- fulfilment of the terms and conditions of this document, including pressing for specific performance or injunctions.
- It shall be the responsibility of each Bidder to bear all costs in relation to acquisition of assets of the Corporate Debtor. It is clarified that the Liquidator or the Corporate Debtor do not undertake any responsibility or obligation in relation to maintenance/ moving/ delivery of any asset/ equipment/ document prior or post the issuance of the LoI.
- The Sale Consideration shall not be subject to any deductions, adjustments, set off, claims, reimbursements and expenses of any sort whatsoever.

10. EARNEST MONEY DEPOSIT

- 10.1 All the Bidders shall provide, prior to submission of their E- Auction, an amount as mentioned in the published Sale Notice.

10.2 It may be noted that the Bidder may request the Liquidator to permit the Bidder to submit the EMD through its Associate or Associate Company. Such payment of the EMD by an Associate or Associate Company of the Bidder shall be accompanied by a letter in the format set out in **Format A** (Earnest Money by an Associate / Associate Company). Such an Associate or Associate Company must also be a Qualified Bidder as per the requirements specified in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

Provided that, the Liquidator reserves the right to accept such a request at its sole discretion and upon such terms and conditions as it may deem fit, including but not limited to requiring such a party to submit any authorization documents or other necessary details/documents.

10.3 Mode of Payment of EMD and other instructions relating to EMD

10.3.1 The EMD, which would not be bearing any interest, has to be paid by the Bidder prior to uploading the online Bid Application Form.

10.3.2 The EMD shall be submitted in the below mentioned Bank account through RTGS / NEFT to the account number of the Company as provided under:

Particulars	
Account Name	Firestar Diamond International Private Limited – In Liquidation
Account No.	3502002100041457
IFSC Code	PUNB0350200
Bank & Branch	PNB, Vashi Branch, Sector - 1

10.3.3 The details of any remittances in this regard shall be entered in the online form submitted by the Bidder. The entire amount shall be remitted by the Bidder(s) from one bank account only and to be owned by the Bidder. In the event the

EMD is remitted by any other Person, it must be accompanied by a letter in the format set out in **Format A** (Earnest Money by an Associate / Associate Company).

10.3.4 Bidders shall preserve the remittance challan and shall produce the same in front of the Liquidator as and when demanded.

10.3.5 All the payments to be made by the Bidder under the e-auction shall be intimated to the Liquidator at liquidator.firestardiamond@aaainsolvency.com with a copy to santanutr@aaainsolvency.com

10.3.6 The EMD must be provided in the form of the NEFT/RTGS/ only which can be , by way of direct bank transfer to the bank account as notified by the Liquidator.

10.3.7 It should be noted that no interest will be paid to the Bidder in relation to such EMD.

10.4 **Forfeiture of Earnest Money Deposit from the Bidder**

10.4.1 It is to be noted that the EMD furnished can be forfeited at any time, upon the occurrence of

Any of the following events:

- (i) if there is a breach of any of the conditions under this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited by the Bidder;
- (ii) In case Bidder is found to have made any misrepresentation or fraud;
or
- (iii) if Bidder is found to be ineligible to submit the Bid as per the conditions set out in Section 29A of the IBC (as amended from time to time) or is found to have made a false or misleading declaration of eligibility as per the conditions set out in Section 29A of the IBC (as amended from time to time); or

- (iv) if the Successful Bidder attempts to reduce/renege the Bid amount under any circumstances;
- (v) if the Bidder withdraws/cancels or make any attempt to withdraw or cancel its Bid at any time; or
- (vi) if the Successful Bidder fails to make the payment of the EMD amounts in accordance with the terms of the E-Auction Process Document; or
- (vii) If the Bidder is identified as the Successful bidder and or does not accept the Letter of Intent issued by the Liquidator; or
- (viii) If the Successful Bidder, fails to make the complete payment within the time stipulated in the Liquidation Process Regulations as per the terms of letter of intent issued by the Liquidator.

10.4.2 In case of occurrence of any of the above events:

- (i) all the amounts deposited by the Bidder or any other Person on its behalf till that date shall be forfeited and the Bidder or any other Person shall not be entitled to refund of the same.
- (ii) The Liquidator shall have the right to re-auction the Assets (or)
- (iii) The Liquidator in consultation with the Stakeholders Consultation Committee shall have the option to call upon the next highest Qualified Bidder(s), provided the Bid value of such next highest Qualified Bidder(s) is greater than or equal to the Reserve Price, to complete the transaction. Such an option is subject to the consent of the Stakeholders Consultation Committee and shall not cause to form any right in favour of any Qualified Bidder;

10.5 **Other terms**

10.5.1 The Liquidator shall return the EMD (Without bearing interest) to the

unsuccessful bidders who have bid under this E-Auction Process Document within 15 days of the closure of the E-Auction process.

- 10.5.2 In case the E-Auction fails, then the EMD paid by the Bidders shall be returned (without interest) to such applicant within 15 (fifteen) days of the date of closure of E-Auction Process.
- 10.5.3 For Successful Bidders, an email confirmation will be given for being Successful Bidder on the next day of the E-Auction.

11. LETTER OF INTENT.

The Successful Bidder shall be required to execute a LOI provided by the Liquidator within a period of 4 (Four) days from the E-Auction date, and record unconditional acceptance of the LOI by providing the Liquidator with one copy of LOI with an endorsement stating that LOI is accepted unconditionally under the signature of the representative of the Successful Bidder, which shall be binding on the Successful Bidder. The LOI may be cancelled only by the Liquidator in his discretion as per the terms of this E-Auction Process Document.

12. SET-OFF OF EMD AND BALANCE PAYMENT

- 12.1 The Successful Bidder shall pay the entire balance Sale Consideration within 90 days from the date of the issuance of the Letter of Intent in accordance with Paragraph 1(12) of Schedule I of IBBI (Liquidation Process) Regulation, 2016, for payments made after thirty (30) days from the Final Approval Order, interest at the rate of 12% p.a. shall be payable on the balance Sale Consideration for the period after the said 30th day till the date of payment or latest before 90th day from the issuance of the LOI. After the lapse of the maximum number of days specified the sale shall stand cancelled as per IBBI Liquidation Process Regulations 2016 and the Liquidator shall forfeit the

EMD/amount deposited by the respective buyer.

- 12.2 Unless expressly indicated by the Liquidator, the EMD deposited shall be set-off against or used as part of the consideration that the Successful Bidder proposes to offer as a Sale Consideration for the Company.
- 12.3 Upon receipt of the balance Sale Consideration the sale of the Assets of the Company shall stand completed and the Liquidator shall execute necessary documentation to ensure that the transfer of shares owned by the Corporate Debtor in Rhythm House Private Limited to the Successful Bidder is done in a manner as contemplated under this E-Auction Process Information Document and the IBBI Liquidation Process Regulations, 2016.
- 12.4 The Successful Bidder shall then be entitled to take the required steps to approach the National Company Law Tribunal (“NCLT”) and/or the Registrar of Companies to initiate the formalities for appointment of Directors of Rhythm House Private Limited, etcetera and the Liquidator shall render the required assistance for the same to be done. It is to be noted that the Rhythm House Private Limited had been struck down and had to be subsequently restored by the Liquidator after having approached the NCLT for obtaining suitable orders.

13. DECLARATION OF SUCCESSFUL BIDDER

- 13.1 The Liquidator at the end of the E-Auction Process upon examination of the bids received shall declare the Successful Bidder(s). The Successful Bidder(s) shall be determined on the basis of highest Bid received in respect of sale of Assets of the Company in accordance with the provisions of IBC and Liquidation Process Regulations read with Terms & Conditions as specified in the E-auction portal. In case of any dispute / discrepancy, the Liquidator shall assess the E-Auction applications and declare the Successful Bidder(s) offering maximum value for the auction of the Company. This right of selecting and declaring the Successful

Bidder(s) shall always solely rest with the Liquidator. The Sale of Assets and Properties belonging to the Corporate Debtor remains of the highest priority and this disclaimer shall be mentioned in all the sale documents by the Liquidator.

- 13.2 The Liquidator shall have the authority to decide between the bids received and declare a successful bidder, in order to maximize the value for the creditors/ stakeholders. This right of selecting and declaring the Successful Bidder shall solely rest with the Liquidator at all times.

14. CLARIFICATIONS

- 14.1 While the data/information provided in this document and the Data Room, has been prepared and provided in good faith, the Liquidator and his Representatives shall not accept any responsibility or liability, whatsoever, in respect of any statements or omissions herein, or the accuracy, correctness, completeness or reliability of the information provided, and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability and completeness of the information provided, even if any loss or damage is caused to any of the Bidders by any act or omission on their part.

- 14.2 A Bidder requiring any clarification on this document, Bidding Process, submission of the Bid or on assets of the Corporate Debtor shall email such request for clarification to liquidator.firestardiamond@aaainsolvency.com with a copy to santanutrav@aaainsolvency.com on or before Last Date for Registration on the E- Auction Portal.

- 14.3 The Liquidator reserves the right not to respond to any query or provide any clarification, at their sole discretion, and no extension of time and date referred to in this document shall be granted on the basis of not having received response to clarifications sought from the Liquidator. Nothing contained herein shall be considered or read as compelling or requiring the Liquidator and/or his Representatives to respond to any query or to provide any clarification to the

queries raised by a Bidder. The Liquidator and his Representatives will not be held responsible for any delay in response or non-response to clarifications raised by the Bidders.

14.4 The Liquidator and/or his Representatives may issue interpretations and clarifications on this document or in relation to the Bidding Process to the Bidder(s). All clarifications and interpretations issued by the Liquidator or his Representatives shall be deemed to be part of this document if provided in writing.

15. CONFIDENTIALITY

15.1 All information furnished in this document and/or pursuant to the terms hereof shall be governed by the provisions of this document and the Confidentiality Undertaking, where applicable. Information relating to the Bidding Process, examination, clarifications, evaluations, and recommendations relating to the Bids or relating to the Bidder(s) shall not be disclosed by the Bidder(s) to any Person who is not officially concerned with the Bidding Process or is not a retained professional advisor.

15.2 The Bidder(s) acknowledges that the Confidential Information contains critical information including commercially sensitive information relating to the Corporate Debtor, by virtue of which the Bidder(s) shall keep all such critical information, including the commercially sensitive information and Unpublished Price Sensitive Information ("UPSI"), confidential and shall not disclose or divulge Confidential Information, such critical information or commercially sensitive information or UPSI, to any other Person.

15.3 The Bidder(s) shall use such Confidential Information including the commercially sensitive information and UPSI relating to assets of the Corporate Debtor only for the purpose of preparation and submission of the Bid, in accordance with the terms of this document and the Confidentiality Undertaking, where applicable.

15.4 The Bidder(s):

(a) agrees to use such measures and/or procedures as it uses in relation to its own confidential information to hold and keep in confidence any and all Confidential Information;

(b) agrees that the Confidential Information shall be kept confidential and shall be used solely for the purposes of the Bidding Process;

(c) shall ensure compliance with Applicable Law and specifically with the Code and the Liquidation Regulations, with respect to Confidential Information received pursuant to this document;

(d) shall take all reasonable steps and measures to minimize the risk of disclosure of Confidential Information by ensuring that only such Representatives who are expressly authorized by it and whose duties require them to possess the Confidential Information shall have access to the Confidential Information on a strict need-to know basis;

(e) shall ensure that the Confidential Information will not be copied or reengineered or reproduced or transmitted by any means and in any form whatsoever (including in an externally accessible computer or electronic information retrieval system) by the Bidder or its Representatives, except for sharing of Confidential Information as required in relation to this document, as decided by the Bidder or its Representatives from time to time;

(f) shall not use the Confidential Information to cause any undue gain or undue loss to itself or any other person;

(g) shall protect any intellectual property of the Corporate Debtor which it may have access to;

(h) shall ensure that all Confidential Information is kept safe and secure at all times and is protected from any theft or leakage;

(i) shall comply with the confidentiality obligations hereunder and the Bidder shall be responsible for any breach thereof.

15.5 The Bidder's obligations hereunder, shall not apply to Confidential Information if the same:

(a) at the time of its disclosure, is in public domain or which after disclosure becomes part of public domain other than as a result of a disclosure by the Bidder or its Representatives contrary to the terms of this document; or

(b) prior to its disclosure to the Bidder, was lawfully in the possession of the Bidder as evidenced by the records of the Bidder, or thereafter becomes known to the Bidder on a non-confidential basis from a source other than the Liquidator or his Representatives who is not in breach of its confidentiality obligations;

(c) is approved for disclosure in writing by the Liquidator, or his Representatives.

(d) was or is independently developed by the Bidder(s) or its Representatives without relying upon or using the Confidential Information.

16. MISCELLANEOUS

16.1 The Bidder(s) should make their own independent inquiries regarding the assets of the Corporate Debtor, any encumbrances, title of assets and claims/rights/dues/ affecting the assets, etc., and should inspect the properties/assets at their own expense. Anything contained in this document or in the Public Notice does not constitute and will not be deemed to constitute any commitment or any representation of the Liquidator.

- 16.2 This document is issued upon an express understanding and agreement that the Bidder shall use it solely for the purpose of preparation and submission of the Bid/Supporting Documents and for the purpose necessarily associated with the Bid and for no other purpose whatsoever.
- 16.3 The Liquidator reserves the right to conduct due diligence/know your customer verifications on the Bidder(s) at any stage of the Bidding Process.
- 16.4 All payments under this document shall be made in INR (Indian Rupees).
- 16.5 The Bidder(s) shall ensure compliance with any amendment or clarifications to the Code, or to any of the rules and regulations issued thereunder, as amended from time to time. If the Liquidator requires any information, document, or other support from the Bidder, to comply with their obligations under the Code or for the purposes of conducting any diligence, the Bidder shall provide the same immediately at its own cost.
- 16.6 If any Bidder conceals any material information or makes a wrong statement or misrepresents facts or makes a misleading statement in its Bid, in any manner whatsoever, found to be ineligible to submit bid under Section 29A of the Code, the Liquidator reserves the right to reject such Bid and/or cancel the Letter of Intent (if issued) and forfeit the Earnest Money Deposit. The Bidder shall be solely responsible for such disqualification based on its declarations in the Bid.
- 16.7 Save as provided in this document, no change or supplemental information to the Supporting Documents shall be accepted after the Document Submission Date. The Liquidator, may, at his sole discretion, request for additional information/document and/or seek clarifications from Bidder(s), even after the Document Submission Date/Auction Start Date, which the Liquidator reserves the right to accept. Delay in submission of additional information and/or documents sought by the Liquidator shall make the Bid liable for rejection.

- 16.8 No extension of time shall be granted under any circumstances to the Bidder(s) for submission of the Supporting Documents including, but not limited to, on the grounds that the Bidder did not obtain a complete set of this document, or did not get an opportunity to conduct a due diligence of the documents and reports made available in the Data Room, or on any other ground(s) as may be deemed appropriate by the Liquidator. However, the Liquidator at his discretion may extend the timelines for submission of Supporting Documents. Such extension in timeline shall be communicated to all Bidders by sending emails and/or publishing the notice of extension on the website of the Corporate Debtor.
- 16.9 A Bidder, accepting this document and gaining access to the Data Room, confirms that the Bidder is in compliance with the Insider Trading Regulations, if applicable and waives any right to claim that there was any involvement of the Liquidator or its Representatives in the Bidder's compliance or lack thereof with the Insider Trading Regulations, if applicable.
- 16.10 Liquidator and his Representatives shall not be responsible in any way for such any costs incurred by the Bidder(s), regardless of the conduct or outcome of the Bidding Process.
- 16.11 The Bidders shall not be entitled to receive any reimbursement of any expenses which may have been incurred in preparation of the Bid(s) and/or carrying out of due diligence, and matters incidental thereto or for any purpose in connection with the Bid(s).
- 16.12 This document and the Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Adjudicating Authority shall have exclusive jurisdiction over all disputes arising under, pursuant to and/or in connection with this document and/or the Bidding Process.
- 16.13 The Bidder(s) hereby agrees and releases the Liquidator and his Representatives irrevocably, unconditionally, fully and finally, from any and all liability for

claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/or performance of any obligations set out under this document, and/or in connection with the Bidding Process, and waives any and all rights and/or claims the Bidder(s) may have in this respect, whether actual or contingent, whether present or in future.

16.14 The Liquidator in its sole discretion and without incurring any obligation or liability or cost, reserves the right, at any time, to;

(a) suspend and/or cancel the Bidding Process and/or amend and/or supplement the Bidding Process or modify the dates or other terms and conditions set out in this document;

(b) consult with any Bidder(s) in order to receive clarifications or further information;

(c) retain any information and/or evidence submitted to the Liquidator/ his Representatives, by, on behalf of, and/or in relation to any Bidder;

(d) cancel or disqualify the Bid submitted by any Bidder at any stage of the Bidding Process;

(e) restart the Bidding Process as per the discretion of the Liquidator and even post issuance of LoI;

(f) independently verify, disqualify, reject and/or accept any and all submissions or other information and/or evidence submitted by or on behalf of any Bidder.

(g) accept any Bid, conduct subsequent rounds of auction as per the terms deemed fit by the Liquidator.

(h) not be held responsible for failure or delay in performing any of his obligations under presents due to force majeure, which shall include natural calamities including Act of God, epidemic, pandemic, lightning, earthquake, cyclone, whirlwind, flood, tempest, storm, and drought, lack of water or other unusual or extreme adverse weather or environmental conditions.

17. TECHNICAL TERMS & CONDITIONS OF E-AUCTION SALE

- 17.1 The Bidder shall be solely responsible for all consequences arising out of the Bid submitted by him (including any wrongful bidding) and no complaint/representation will be entertained in this regard by the Liquidator. Hence, Bidders are cautioned to be careful to check the Bid amount and alter/rectify their Bid if required before confirming the Bid submitted.
- 17.2 Bidders are advised to change the password immediately on receipt thereof.
- 17.3 Qualified Bidders may encounter certain unforeseen problems such as time lag, heavy traffic, and system/ power failure at their end. To avoid losing out on bidding because of above-mentioned reasons, it is advised not to wait for the last moments.
- 17.4 The point of contact for all Bidders in relation to the Portal, technical glitches, instructions relating to the Portal etc. shall be the E-Auction Agency, and the Bidders shall not approach the Liquidator in relation to the same.
- 17.5 Post identification of Qualified Bidders, prior to the Auction Date, a mock auction training may be conducted by the E-Auction Agency for familiarity purposes.

18. AMENDMENT TO THE DOCUMENT

The Liquidator may, for any reason whatsoever and without assigning any reason, or incurring any liability, amend, modify or supplement this document by amendment(s). Any amendment(s) shall be uploaded on the website of the Corporate Debtor. Bidders are requested to check website of the Corporate Debtor on a regular basis. The Acceptance of this document shall be deemed to be an acknowledgement by the Bidder(s) that any such amendment(s) pursuant to this document shall be binding on the Bidder(s)

19. FRAUDULENT AND CORRUPT PRACTICES

The Bidder shall observe the highest standard of ethics during the E-Auction

Process and subsequently during the closure of the E-Auction Process and during the declaration of the Successful Bidder. Notwithstanding anything to the contrary contained in this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, the Liquidator shall reject the Bid, without being liable in any manner whatsoever to the Bidder, if the Liquidator, at his discretion, determines that the Bidder has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the E-Auction Process or has, undertaken any action in respect of such process which results in the breach of any Applicable Law including the Prevention of Corruption Act, 1988. In such an event, the liquidator may retain the EMD, without prejudice to any other right or remedy that may be available to the Liquidator under this E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited or Applicable Law(s).

For the purposes of this Clause, the following terms shall have the meaning hereinafter respectively assigned to them:

“**coercive practice**” shall mean impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the E-Auction Process;

“**corrupt practice**” shall mean:

- i. the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the E-Auction Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Liquidator or the Company, who is or has been associated or dealt in any manner, directly or indirectly with the E-Auction Process or arising there from, before or after the execution thereof, at any time prior to the expiry of 1 (one) year from the date such official resigns or retires from or otherwise ceases to

be in the service of the Liquidator or the Company, shall be deemed to constitute influencing the actions of a person connected with the E- Auction Process);

or

- ii. engaging in any manner whatsoever, during the E- Auction Process or thereafter, any person in respect of any matter relating to the Company, who at any time has been or is a legal, financial or technical adviser of the Liquidator or the Company, in relation to any matter concerning the E-Auction Process;

“fraudulent practice” shall mean a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the E-Auction Process;

“restrictive practice” shall mean forming a cartel or arriving at any understanding or arrangement among the Bidders with the objective of restricting or manipulating a full and fair competition in the E-Auction Process; and

“undesirable practice” shall mean (i) establishing contact with any person connected with or employed or engaged by the liquidator with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the E-Auction Process; or (ii) having a conflict of interest.

The Bidder shall not involve himself or for any of his Representatives in price manipulation of any kind directly or indirectly under the Applicable Law(s) by communicating with other Bidders.

The Bidder shall not divulge either his Bid or any other details provided to him by the Liquidator or during the due diligence process in respect of the Company to any other party. Prior to conduct of due diligence and access of Data Room, the Liquidator shall require the Bidder to execute a Confidentiality Undertaking with the Company / Liquidator.

20. COSTS, EXPENSES AND TAX IMPLICATIONS

- 20.1 The Bidder shall be responsible for all the costs incurred by it on account of its participation in the E-Auction Process, including any costs associated with

participation in the discussion meeting (if any), accessing documents and reports from the Data Room, carrying on an independent due diligence etc. The Liquidator shall not be responsible in any way for such costs, regardless of the conduct or outcome of the E-Auction Process.

20.2 It is hereby clarified that the Bidder shall make its own arrangements including accommodation for the discussion meeting (if organized) or accessing documents and reports from the Data Room, carrying on an independent due diligence etc and all costs and expenses incurred in that relation shall be borne by the Bidder.

20.3 The Bidder shall not be entitled to receive any reimbursement of any expenses which may have been incurred while carrying out the due diligence, search of title to the assets of the Company and matters incidental thereto or for any purpose in connection with the E-Auction Process.

20.4 It is to be noted that all Taxes applicable whether income tax, any other direct and / or indirect Taxes and / or duties and / or penalties and / or interest (including stamp duty implications and registration charges) on sale of Assets of the Company or in relation to the Company in the future, on and after implementation of the sale transaction herein; as the case may be in accordance with the provisions of IBC and Liquidation Process Regulations, would be borne by the Successful Bidder over and above the Sale Consideration payable. Some of the costs and charges for the sale transaction may include *inter-alia* the following:

- (i) The sale of the assets of the Company may attract stamp duty, registration charges, GST etc. as per relevant Applicable Law(s);
- (ii) The Successful Bidder shall bear all the necessary expenses like applicable stamp duties, additional stamp duty / transfer charges, fees, etc. for transfer of the assets of the Company in its name, license, permissions and approvals transfer fees, etc; and
- (iii) The payment of all Taxes including statutory / non statutory dues, rates, assessments, charges, fees, cess or other applicable tax i.e. GST, TDS,

TCS, etc is to be made by the Successful Bidder. It is clarified that if the Successful Bidder determines that any TDS/TCS under the Income Tax Act, 1961 is deductible, the same shall be payable/deposited by the Successful Bidder over and above the bid price and no amount shall be deducted from the bid price.

20.5 It is expressly stated that the Liquidator does not take or assume any responsibility for any dues, statutory or otherwise, of the Company, including such dues, if any, which may affect transfer of the Company in the name of the Successful Bidder.

20.6 The Bidder shall be responsible for fully satisfying the requirements of the IBC and the related Regulations as well as all Applicable Law(s) that are relevant for the sale of the Assets of the Company. The Successful Bidder shall be responsible for obtaining requisite regulatory or statutory or third-party approvals, no-objections, permission or consents, if any, that are or may be required under Applicable Law(s) in respect of the sale of Assets of the Company as contemplated in E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

21. GOVERNING LAW AND JURISDICTION

This E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, the E-Auction Process and the other documents pursuant to the E-Auction Process Information Document shall be governed by the laws of India and any dispute arising out of or in relation to the E-Auction Process Information Document or the E-Auction Process shall be subject to the exclusive jurisdiction of the NCLT, **Mumbai**, India.

22. TIMETABLE

The following timetable shall apply to the E-Auction Process Information

Document. The timetable may be amended/ deviated by the Liquidator through issuance of an addendum to the E- Auction Process Information Document or any other means as deemed appropriate by the Liquidator.

Sr. No.	Event	Timeline
1	Public Advertisement of E-Auction	02/09/2024
2	This E- Auction Process Information Document made available on the website of the Company	02/09/2024
3	(a) Submission of the requisite forms, documents and authorizations; Affidavit and Undertaking; executing a Confidentiality Undertaking by the Bidder as stated in para 6 above and as annexed in the E- Auction Process Information Document..... (b) Opening of Data Room Access to the Qualified Bidders (c) Facilitation of Due Diligence (d) Bid Declaration Form and EMD submission along with the requisite KYC declarations as specified in the Bid Application Form (e) Discussion Meeting..... (f) Opening of Auction Portal..... <i>(Data Room Access to be given only to eligible / qualified bidder post submission of the requisite forms, documents and authorizations; Affidavit and Undertaking; executing a Confidentiality Undertaking by the bidder as stated in para 6 above.</i>	16/09/2024 21/09/2024 28/09/2024 05/10/2024 07/10/2024
4	Closure of Data Room Access	28/09/2024
5	E- Auction Date	07/10/2024
6	Issuance of email confirmation as Successful Bidder	07/10/2024
7	Execution of LOI by the Successful Bidder	08/10/2024
8	Return of EMD for unsuccessful Bidders (within 15 days from the closure of the E-Auction process)	20/10/2024

9	Payment of further balance consideration by the Successful Bidder (within 90 days from the issuance of the Letter of Intent, Provided that payments made after 30 days shall attract interest @ 12%).	07/11/2024 (30 Days) 06/01/2024 (90 Days)
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*While the timeline for submission of Bid Application Form and Bid Declaration Form is from 16/09/2024 to 28/09/2024, please note that access to Data Room will be granted only once the bidder submits the requisite forms, documents and authorizations; Affidavit and Undertaking; executing a Confidentiality Undertaking by the bidder.

Bidders should regularly visit the website(s)/link(s) mentioned in public advertisement to keep themselves updated regarding clarifications, amendments and/or extension of time, if any.

As per the Paragraph 1(12) of Schedule I of IBBI (Liquidation Process) Regulations, 2019, "On the close of the auction, the highest bidder shall be invited to provide balance Sale Consideration within ninety days of the date of such demand:

Provided that payments made after thirty days shall attract interest at the rate of 12%:

Provided further that the sale shall be cancelled if the payment is not received within ninety days.

Note - The timeline for payment of final Sale Consideration is Ninety days from the date of issue of Letter of Intent. In case the final Sale Consideration is not paid within the timelines prescribed under this document / IBC / Liquidation Process Regulations, the Liquidator shall forfeit the EMD and the other amounts deposited by the bidder and any further Payment made by the Successful Bidder.

**FORMAT A - EARNEST MONEY DEPOSIT PAYMENT BY AN ASSOCIATE
COMPANY/ASSOCIATE**

(on the letterhead of an Associate Company / Associate)

To

Mr. Santanu T Ray

Liquidator of **Firestar Diamond International Private Limited** (in Liquidation)

Registration No. IBBI/IPA-002/IP-N00360/2017-2018/11055

Firestar Diamond International Private Limited

144- B, 14th Floor, Mittal Court, Nariman Point , Mumbai 400021.

[Copy to:]

[Insert name of the Bidder with address] Dear Sir,

Sub: Payment of the amounts of EMD on behalf of the Bidder in relation to the E-Auction of **(Sale of Assets and Properties belonging to the Firestar Diamond International Private Limited (“Company”), as released by the Enforcement Directorate, Government of India)** as per IBC and Liquidation Process Regulations.

In light of the Bid for **Assets belonging to Diamond International Private Limited** submitted by [Insert name of the Bidder with address] in accordance with and subject to the provisions of the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited dated in relation to the captioned transaction ("**E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited**"), issued by the Liquidator, [Insert name and address of the Associate/Associate Company and address of the head office] hereby declares and confirms it is [an/the] [Insert relationship of the Associate/Associate Company with the Bidder] of the Bidder ("**Associate/Associate Company**"), and the payment of the EMD vide [Insert mode of payment] ("**Payment**") is on behalf of the Bidder. The Associate Company acknowledges that such amounts paid as EMD shall be subject

to the terms of the E-Auction Process Information Document and hereby waives any right to claim any refund or adjustment of the amounts of such payment except in accordance with the terms of the E-Auction Process Information Document

The Associate/ Associate Company hereby represents and warrants that payment of amounts on behalf of the Bidder is in compliance with Applicable Law.

Capitalized terms used but not defined in this letter shall have the meanings ascribed to such terms in the E-Auction Process Information Document.

Yours sincerely,

[Signature and name of the Authorised Officer of the Associate/ Associate Company] Rubber stamp/ seal of the Associate/ Associate Company

ACKNOWLEDGMENT

We hereby acknowledge and confirm the statements set out above by the Associate/ Associate Company.

Yours sincerely,

[Signature and name of the Authorised Officer of the Bidder] Rubber stamp/ seal of the Bidder

(Where the Bidder is a Foreigner / PIO / OCI / NRI, then the said Form-A will have to be appropriately apostilled at the concerned Embassy, i.e., Indian Embassy for OCI and NRI and Foreign Embassy for Foreigner and PIO);

ANNEXURE I - AFFIDAVIT AND UNDERTAKING

(To be notarized on stamp paper)

Date: _____

To

Mr. Santanu T Ray

Liquidator of **Firestar Diamond International Private Limited** (in Liquidation)

Registration No. IBBI/IPA-002/IP-N00360/2017-2018/11055

Firestar Diamond International Private Limited

144- B, 14th Floor, Mittal Court, Nariman Point, Mumbai 400021

Sub: Disclosure and Undertaking on eligibility under Section 29A of the Insolvency and Bankruptcy Code, 2016

Dear Sir,

- A. I hereby submit this declaration under Section 29A of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") as inserted by the Insolvency and Bankruptcy Code (Amendment) Act, 2018 and further amendments thereto:

I have understood the provisions of Section 29A of IBC and confirm that I am eligible to submit my bid under section 29A of IBC. I confirm that in accordance with the provisions of section 29 A of IBC, inter-alia, neither (XYZ Limited) nor any person acting jointly with XYZ Limited or any person who is a promoter or in the management or control of XYZ Limited or any person acting jointly with XYZ Limited:

- (I) Is an un-discharged insolvent;
- (II) Is a willful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;
- (III) At the time of submission of the Bid, 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 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 non-performing 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 or completion of such transactions as may be prescribed, 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 the IBC.)

- (IV) 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.

- (V) Is disqualified to act as a director under the Companies Act, 2013: Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I in Section 29A of the Insolvency and Bankruptcy Code, 2016;
- (VI) Is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;
- (VII) 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 IBC: 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;
- (VIII) Has executed an enforceable guarantee in favor 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 IBC and such guarantee has been invoked by the creditor and remains unpaid in full or in part;
- (IX) Has been subject to any disability, corresponding to clauses (a) to (h) of Section 29A, under any law in a jurisdiction outside India; or
- (X) Has a connected person (as defined in Explanation to Section 29A) who is ineligible under clauses (a) to (i) of Section 29A of IBC.

I, therefore, confirm that XYZ Limited is eligible under Section 29A of IBC submit its Bid for **Firestar Diamond International Private Limited** - In Liquidation.

- B. I undertake on behalf of XYZ Limited, that during the Liquidation Process, no person who would be considered as Connected Person as is not eligible to submit resolution plan under Section 29A of Insolvency and Bankruptcy Code, 2016 and the regulation 38 of IBBI (Insolvency Resolution Process of Corporate Persons) regulations, 2016 shall be engaged in the management and control of the corporate debtor.
- C. I declare and undertake that in case XYZ Limited becomes ineligible at any stage during the Liquidation Process, it would inform the Liquidator forthwith on becoming ineligible.
- D. I also undertake that in case XYZ Limited becomes ineligible at any time after submission of EMD, then the EMD would be forfeited and the same would be deposited in the account of **Firestar Diamond International Private Limited** - in liquidation.
- E. I confirm that the said declaration and disclosure is true and correct and the undefined legal terms in this undertaking shall have the same meaning as ascribed to them under IBC and regulations thereunder.
- F. I am duly authorized to submit this declaration by virtue of [*Insert the details of the corporate authorizations*]

(DEPONENT)

VERIFICATION

I, the deponent above, do hereby solemnly declare and affirm that the above statement given by me is true and correct to the best of my knowledge and belief and nothing stated above is false or misrepresentation or misleading.

(DEPONENT)

ANNEXURE II - BID APPLICATION FORM

(Please fill up separate Bid application form)

Date:

To

Mr. Santanu T Ray

Liquidator of **Firestar Diamond International Private Limited** (in Liquidation)

Registration No. IBBI/IPA-002/IP-N00360/2017-2018/11055

Firestar Diamond International Private Limited

144- B, 14th Floor, Mittal Court, Nariman Point, Mumbai 400021

Dear Sir,

- i. We, the undersigned Bidder having read and examined in detail the E-Auction Bid Process Document (being referred to as the 'Document' also) including the disclaimers to the document, set out the related information in relation to the Bidding Process conducted for the acquisition of assets of the Corporate Debtor.
- ii. We are desirous in participating in the E-Auction Process of Firestar Diamond International Private Limited (under liquidation) announced by you on 02/09/2024 in newspaper(s) Financial Express & Navashakti.
- iii. We are interested to bid for the acquisition of Assets as specified in aforesaid Notices and Bid Document.
- iv. We enclose herewith the Supporting Documents with duly signed and/or certified forms/documents/authorizations as mandated by you in the document, for your consideration.
- v. We have submitted all the requisite documents as per the prescribed formats set out in the Document, without any deviations, conditions and without any assumptions or notes.

- vi. The Details of the Company for the purposes of remittance of payment is as follows:

Particulars	
Account Name	Firestar Diamond International Private Limited – In Liquidation
Account No.	3502002100041457
IFSC Code	PUNB0350200
Bank & Branch	PNB, Vashi Branch, Sector - 1

The Details of the Bidder is as follows:

Bid Block (s) bid	
Details against EMD	
Bid Amount	
Name	
Constitution of the Bidder	
Contact No.	
Email ID	
PAN No.	
Address	

We further represent and confirm as follows:

- (a) Earnest Money Deposit

In relation to the Earnest Money Deposit required to be submitted as per Clause _____ of this document, we enclose proof of direct electronic transfer of INR [●], dated [●].

- (b) Acceptance

We hereby unconditionally and irrevocably agree and accept the terms of the document and that the decision made by the Liquidator and/or the Adjudicating Authority in respect of any matter with respect to, or arising out of, the document, shall be binding on us. We hereby expressly waive any and all claims in respect of the Bidding Process.

(c) Litigation/Proceedings

We confirm that there are no litigation/disputes/proceedings pending or threatened against us, which affects our ability to fulfil our obligations under the Bid Application Form & Bid and the document.

(d) Familiarity with Relevant Indian Laws and Regulations and Authorizations

We confirm that we have studied the provisions of the Code and other relevant laws and regulations to enable us to submit and execute our Bid Application Form & Bid along with required documents and execute the other required documents in the event of our selection as the Successful Bidder. We have obtained all the requisite corporate authorizations and regulatory approvals required for submission of the Bid Application Form & Bid, and has also obtained or shall obtain necessary authorizations & regulatory approvals for the acquisition of assets of the Corporate Debtor, as may be required in compliance of the applicable laws, for the time being in force. We further confirm that our Bid Application Form & Bid is not in contravention of the provisions of any law for the time being in force and is in strict compliance with the Code.

(e) Contact person

The details of the contact person for the purposes of this Bid Application Form & Bid are provided below:

Name : [●]

Designation : [●]

Company Address : [●]

Phone Nos : [●]

Fax Nos. : [●]

E-mail address : [●]

1. We are enclosing herewith the physical copy of the Supporting Documents, and necessary documents as described herein and duly signed forms/documents/authorizations, i.e., the Bid Application Form, Supporting Documents and EMD and necessary documents as described herein, as mandated in the document, for your consideration.
2. We confirm that the Bid Application Form & Supporting Documents submitted by us is consistent with all the requirements of submission as stated in the document and the Code and subsequent clarifications/communications from the Liquidator or his Representatives.
3. The information submitted by us is complete, strictly as per the requirements stipulated in the document and is true and correct. We acknowledge that we shall be solely responsible for any errors or omissions in our Bid Application Form & Bid.
4. We confirm that all the terms and conditions of our Bid are valid for acceptance for a minimum period of 12 (twelve) months from the Auction Date. We further confirm that in the event that we are declared as Successful Bidder, then the Bid shall continue to remain valid and binding without any expiry period. We confirm that we have not taken any deviations and duly complied with the provisions of the document.
5. We have read and understood the Terms and Conditions outlined in the E-Auction Process Information Document for the Sale of the 99.77% shareholding owned by the Corporate Debtor in Rhythm House Private Limited and we unequivocally accept and agree to adhere to the same.
6. Capitalized terms, not defined herein, shall have the meaning given to them in the document.

Place:

On behalf of the Bidder

Date:

**ADDITIONAL DETAILS TO BE SUBMITTED WITH
BID APPLICATION FORM**

1. Details of the Bidder such as:

A. Name:

Address with Proof:

Telephone No:

Fax:

Email:

B. Date of establishment of the Bidder:

C. PAN No. or equivalent details of the Bidder:

D. GST details of the Bidder:

E. Passport of the Bidder and/or its duly Authorized Person/Representative:

2. Legal Documents: Copies of Certificate of Registration and Constitutional Documents of the Bidder (if any)

3. *Details of Consortium Members (if any):

Name of the Member	% of share in the Consortium	Nature of Establishment

4. *Copy of the Consortium Agreement, if any.

*Consortium details will be applicable to those who are applying as a Consortium Bid.

5. Corporate Details:

Bidder to provide the following information for the prospective Bidder:

Name	
Registered Office	
Website Address	
Corporate Identification Number, if any	
Address for Correspondence	
Year and Date of Incorporation	
Company's Business Activities:	
Name of the Representatives	
Name and Details of all Connected Persons	
Telephone Number	
Email Address	
Fax No.	

ii) Bidder to provide the following documents:

(a) Copy of the Memorandum and Articles of Association and Certificate of Incorporation. In case the prospective Bidder is a consortium then the Memorandum and Articles of Association and Certificate of Incorporation of all the entities that are a part of the consortium.

(b) Authority letter in favor of the Liquidator from the prospective Bidder and in case the prospective Bidder is a special purpose vehicle set up for submitting the Bid, from the Parent Company authorizing the Liquidator to

seek reference from their respective bankers, lenders, financing institutions of the prospective Bidder and any other person.

- (c) Annual report or audited financials of the prospective Bidder, Parent Company and corporate guarantor, if applicable for the preceding 3 (three) years. A certificate from the statutory auditor/ chartered account as on 31.03.2022 for (a) net worth (in case the prospective Bidder is a corporate including limited liability partnership), and (b) total assets under management (AUM) in case the prospective Bidder is a financial investor, fund, private equity investor, non-banking financial company, asset reconstruction company, banks or financial institution, in each case as provided in the eligibility criteria provided in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited. In case Bidder(s) are relying on the eligibility criteria of your Group Company, Bidders is also directed to provide such details for the relevant Group entity along with documentary evidence in the form of a certificate from a practicing company secretary or statutory auditor to establish such relationship.
- (d) Copy of permanent account number card of the prospective Bidder (or equivalent identification for an overseas entity);
- (e) Credit opinion report from the principal bank of the prospective Bidder and its Parent company;
- (f) Details to be provided in following format for directors of prospective Bidder, and in case the prospective Bidder is a special purpose vehicle set up for submitting the Bid, details of directors of the Parent Company to be provided as per format below:

Name	Designation	Identification No.			Full Address	Other Directorships
		DIN	PAN	Passport		

The prospective Bidder shall submit photocopy of the passport for each of the Directors and other 'know your customer' details.

Bidder to confirm if any of the above have been disqualified to act as a director under the provisions of the Companies Act, and if so, Bidder to share all relevant details of the same.

(g) Details of Ownership Structure of the prospective Bidder (in case the prospective Bidder is a listed company, details of persons owning 10% (ten percent) or more of the total paid up equity of the prospective Bidder is to be provided).

Status of equity holding as on

<u>Name of Equity Holder</u>	<u>Type and No. of Shares owned</u>	<u>% of Equity Holding</u>	<u>Extent of Voting Control (%)</u>

(Status of equity holding should be provided not earlier than 30 (thirty) days prior to submission of the Bid Application Form.)

Name of Connected Person	Nature of Connection

(h) Details of Parent Company, ultimate Parent and Group Companies of the

prospective Bidder and corporate guarantor (if any corporate guarantee constitutes part of the Bid), and their respective business activity to be provided. The determination of relationship of Parent Company, and/or the Group Companies of the prospective Bidder shall be as on date of submission of the Bid Application Form;

(i) A list of persons acting jointly, persons acting in concert and connected persons (as per Section 29A) to be provided. Bidder to also explain relationship of prospective Bidder with all connected persons. The Liquidator may request for credit opinion/ CIBIL Reports of connected persons as appropriate. [In case of any exemption available, explanations for the same would be required].

(j) Details of transactions, if any, of the prospective Bidder and/ or any connected persons in the Company in the preceding 2 (two) years.

iii. Bidder to clarify if the prospective Bidder and/or any Connected Person has been convicted of any offence in the preceding seven years, and if so, Bidder to share all relevant details of the same;

iv. Bidder to clarify if the prospective Bidder and/or any person acting in concert or acting jointly or any connected person has been identified as a wilful defaulter by any bank or financial institution in accordance with the guidelines of the RBI, and if so, Bidder to share all relevant information and details in relation to the same;

v. Bidder to clarify if there are any criminal proceedings, investigations, enquiries etc. commenced or pending against the prospective Bidder and/or any Connected Person, and if so, Bidder to share all relevant details of the same;

vi. Bidder to clarify if the prospective Bidder and/or or persons acting in concert and/or any connected Person has been disqualified or debarred from accessing to or

trading in the securities markets under any order of the Securities and Exchange Board of India and/or any other such judicial authority.

vii. Bidder to clarify if the prospective Bidder and/or or persons acting in concert and/or any connected Person 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 IBC.; and

viii. Bidder to clarify if the prospective Bidder and/or or persons acting in concert and/or any connected Person 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 IBC.

For and on behalf of M/s.....

[Signature and Name of the Authorised Representative] Rubber stamp/seal of the prospective Bidder

Note:

The Liquidator reserve the right to request for any additional information or documents with respect to any “Connected Person” (as defined under the IBC) of the prospective Bidder, as may be required.

(Where the Bidder is a Foreigner / PIO / OCI / NRI, then the aforesaid documents will have to be appropriately apostilled at the concerned Embassy, i.e., Indian Embassy for OCI and NRI and Foreign Embassy for Foreigner and PIO before submission to the Liquidator);

Terms and Conditions of the E-Auction are as under:

In addition to the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, following terms and conditions apply:

1. E-Auction is being held on "AS IS WHERE IS, AS IS WHAT IS, WHATEVER THERE IS AND WITHOUT RECOURSE BASIS" and will be conducted "Online". The E-Auction will be conducted through the approved service provider **M/s E-Procurement Technologies Limited (Auction Tiger)**, at the web portal <https://aaa.auctiontiger.net>. E-Auction Process document containing E-Auction bid form, Declaration by bidders, General terms and conditions of online auction sales are available on Websites <https://aaa.auctiontiger.net> Interested bidders can register, bid and receive confirmation of their bid online.

The requisition of additional information, if any, be sent to liquidator.firestardiamond@aaainsolvency.com and santanutray@aaainsolvency.com disclosing the identity of the Applicant.

2. The Bidders should make their own independent inquiries regarding the encumbrances, title of assets put on auction and claims/rights/dues/affecting the assets of the Company and should conduct their own due diligence prior to submitting their Bid. The e-Auction advertisement does not constitute and will not be deemed to constitute any commitment or any representation of the Liquidator. The Assets of the Company is proposed to be sold with all the existing and future encumbrances/claims/dues/demands whether known or unknown to the Liquidator. Liquidator shall not be responsible in any way for any third- party claims/ rights/ dues.
3. The Bidders should submit the evidence for EMD deposit like UTR number along with the request letter for participation in E-Auction as follows:

- (i) In case of individuals: (a) Proof of identification (KYC) viz. Voter ID card/ Driving License/ Passport/OCI/PIO Card etc., (b) Current Address-Proof for communication, (c) PAN card of Bidder, (d) Valid Email ID, (e) contact number (Mobile/Landline) (f) and all other relevant documentation in relation to the bidding process.
 - (ii) In case the Bidder is a Company/Entity: (a) Copy of original authorization letter at company letter head, in the name of the individual authorized to collect Letter of Intent on behalf of the company; (b) Copy of ID Proof of the authorized representative like AADHAR/Passport etc; (c) Copy of PAN Card of the Company; (d) Copy of Memorandum and Articles of Association of the company; and (e) All relevant documentation related to the E-Auction Process should reach to the office of the Liquidator by 04.10.2024 before 6.00 pm. Scanned copies of the original of these documents can also be submitted to the email of the Liquidator at liquidator.firestardiamond@aaainsolvency.com with a copy to santanutray@aaainsolvency.com
 - (iii) At the time of delivery, the authorized person would have to show the original documents of: (i) Original authorization letter of the Company; (ii) Original ID Proof of the authorized representative/ Individual appearing like AADHAR/Passport etc and (iii) Original PAN Card of the Company/ Individual.
4. Name of the Prospective Bidders will be identified and conveyed by Liquidator to participate in online E-Auction on the portal as per timelines specified in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited. The Prospective Bidder shall be required to be registered with the E-Auction Service Provider for generation of login credentials to enable the prospective Bidder to participate in the E-Auction on the appointed date i.e. 07.10.2024.

5. It should be the responsibility of the Prospective/Interested Bidders to inspect and satisfy themselves about the assets of the Company / Company before submission of the Bid.
6. Liquidator has right to demand any additional documents from the Bidder for the E- Auction Process. In case such additional documents are not provided by the Bidder, the Liquidator in his own discretion may disqualify the Bid.
7. The E-Auction of the Company would be conducted on 07.10.2024. or as specified by the Liquidator under the E-Auction Process Document.
8. The EMD of unsuccessful bidders shall be refunded within fifteen days from the closure of E- auction. The EMD shall not bear any interest.
9. In case of the Successful Bidders, the EMD and any other monies received in any form may be adjusted towards the balance sale consideration. The EMD shall not bear any interest. Unless expressly indicated by the Liquidator, the EMD deposited shall be set-off against or used as part of the consideration that the Successful Bidder proposes to offer as a Sale Consideration for the Company.
10. The Liquidator will intimate through mail to the Successful Bidder, detailing the total payable amount for consummating the sale of the Assets of the Company and other terms and conditions. The Successful Bidder would have to pay the balance Sale Consideration amount less EMD and any other monies received for the sale of the Assets of the Company within time stipulated in this E- Auction Process Information Document.
11. The Successful Bidder is required to pay the balance Sale Consideration (plus financial components to be paid for the acquisition of the Assets) within 90 days of the date of issuance of LOI, Provided that payments made after thirty days shall attract interest at the rate of 12%. Any default in payment of the Bid

amount by the Successful Bidder would entail forfeiture of EMD and any other monies already paid/deposited the Company and the assets shall be put to re-auction and the defaulting Bidder shall have no claim / right in respect of Company / amount paid whatsoever.

12. The Successful Bidder shall bear the applicable stamp duties/ additional stamp duty / transfer charges, fee, taxes, Good and Services Tax, etc. and also all the statutory/ non statutory dues, taxes, insurance premiums/ license, approval and permission transfer fees, rates assessment charges fees etc. owed to any Person from the date of declaration as the Successful Bidder.
13. The Successful Bidder shall take the necessary steps to comply with any formalities, procedures, compliances, stipulations involving the Registrar of Companies.
14. The Liquidator is not bound to accept the highest offer or and has the absolute right to accept or reject any or all offer(s) or adjourn / postpone/ cancel the E-Auction or withdraw any asset or portion thereof from the e-auction proceedings at any stage without assigning any reason there for.
15. The sale certificate will be issued and / or transaction / sale documents executed in the name of Successful Bidder(s) only and will not be issued in any other name(s).
16. The sale of the Assets of the Company as contemplated under this document shall be subject to conditions prescribed under the Insolvency & Bankruptcy Code, 2016 read with amendments and rules/ regulations made thereunder.
17. The Bidder may submit his offer as per the process specified in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

18. The decision of the Liquidator on declaration of Successful Bidder shall be final and binding on all the Bidders.
19. The Bidders are required to keep themselves updated for any revisions in the terms and conditions of E-Auction by regularly visiting the links and website addresses of the Company as mentioned in this E-Auction Process Information Document.

Date:

Place: Mumbai

SD/-

Santanu T Ray

Liquidator of **Firestar Diamond International Private Limited** (in Liquidation)

Registration No. IBBI/IPA-002/IP-N00360/2017-2018/11055

Registered office of the corporate debtor:

Firestar Diamond International Private Limited

Unit No. 23, 3rd Floor, Tower II, Wing B,

Kohinoor City, Kiroli Road, Off LBS Marg,

Kurla West Mumbai City MH 400070 IN

Communication Address & Email ID:

AAA Insolvency Professionals LLP

144- B, 14th Floor, Mittal Court, Nariman Point, Mumbai 400021

liquidator.firestardiamond@aaainsolvency.com

Registered Address & Email ID with IBBI:

AAA Insolvency Professionals LLP,

144- B, 14th Floor, Mittal Court, Nariman Point, Mumbai 400021

santanutrayer@aaainsolvency.com

*(Mr. Santanu T Ray is a Registered Insolvency Professional with Insolvency and Bankruptcy Board of India (“IBBI”). His Registration number is IBBI/IPA-002/IP-N00360/2017-2018/11055. Mr. Santanu T Ray has been appointed as a **Liquidator of Firestar Diamond International Private Limited** by NCLT, Mumbai Bench, vide its order dated 26th February 2020. The affairs and property of **Firestar Diamond International Private Limited** (in Liquidation) are being managed by the Liquidator, Mr. Santanu T Ray.)*

**ANNEXURE III - BID DECLARATION FORM/
DECLARATION BY BIDDERS**

To

Mr. Santanu T Ray

Liquidator **Firestar Diamond International Private Limited** (in Liquidation)

Registration No. IBBI/IPA-002/IP-N00360/2017-2018/11055

Firestar Diamond International Private Limited

144- B, 14th Floor, Mittal Court, Nariman Point, Mumbai 400021

Dear Sir,

1. I / We, the Bidder (s) aforesaid do hereby state that, I / We have read the entire terms and conditions for the sale of the Assets of the Company as specified in the Public Advertisement and E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and have understood them fully. I/We hereby unconditionally agree to confirm with and to be bound by the said terms and conditions of the Public Advertisement and E-Auction Process Information Document (including the Terms & Conditions of the E-Auction, Technical Terms & Conditions of E-Auction Sale) and agree to take part in the E-Auction Process.
2. I / We, understand and acknowledge that the E-Auction is being held on "AS IS WHERE IS, AS IS WHAT IS, WHATEVER THERE IS AND WITHOUT RECOURSE BASIS" and will be conducted "Online".
3. I/We understand and acknowledge that physical inspection / site visit of the underlying Assets shall be allowed to the Qualified Bidders prior to the successful completion of the E-Auction process, at a time specified by the Liquidator, for purposes of the Qualified Bidders to carry out their due diligence.

4. I / We declare that the Earnest Money Deposit/EMD and documents submitted in relation to the Eligibility Criteria as specified in the E-Auction Process Information Document and that the particulars of remittance and all other information given by me/us in the form is true and correct.
5. I/we acknowledge that in the event we are declared as the Successful Bidder, the EMD (if provided by way of cash transfer) and any other Payment received by the Liquidator for the sale of the assets may be adjusted towards the balance sale consideration. The EMD shall not bear any interest. In the event that we/any entity on our behalf has provided EMD by way of NEFT/ RTGS, the EMD shall be released only and when the full payment of the entire Sale Consideration is made by the Successful Bidder to the Liquidator.
6. I / We further understand and agree that if any of the statement / information revealed by me / us is found to be incorrect and / or untrue, the Bid submitted by me / us is liable to be cancelled and in such case, the EMD and or any monies paid by me / us is liable to be forfeited by the Liquidator and the Seller will be at liberty to annul the offer made to me/us at any point of time.
7. I / We also agree that after my /our offer given in my /our Bid in relation to the sale of the Assets of the Company as contemplated under the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, is accepted by the Liquidator and if, I / We, fail to accept or act upon the terms and conditions of the sale or am / are not able to complete the transaction within the time limit specified under the E-Auction Process Information Document or the Liquidation Process Regulations for any reason whatsoever and /or fail to fulfil any / all the terms and conditions of the E- Auction and letter of intent, the EMD, and other monies paid by me / us along with the form and thereafter, are liable to be forfeited along with other deviations pertaining to forfeiture of EMD as specified in the E-Auction Process Information Document. The timeline for payment of final Sale Consideration may be

extended by sole discretion of Liquidator and as per the Liquidation Process Regulations, to the extent permissible under the Applicable Law(s). In case final Sale Consideration is not paid within timeline stated in the Liquidation Process Regulations, the Liquidator shall forfeit EMD, and any other monies paid by me/us.

8. I / We agree that after my /our offer given in my /our Bid in relation to the sale of the Assets of the Company as contemplated under the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, I/We shall not nor shall make any attempt to cancel/negotiate/withdraw our Bid at any time for any reason whatsoever. In the event, I/we cancel/negotiate/withdraw or attempt to do the aforesaid, the EMD and any other amounts paid by us shall be forfeited and we shall not be entitled to a refund of the same. We acknowledge that the Liquidator in his discretion may cancel and rescind the LOI issued in our favour in such a circumstance as specified in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.
9. I / We understand that the EMD submitted by us shall be retained by the Liquidator and returned only in accordance with the terms of the E-Auction Process Document. I / We, state that I / We, have fully understood the terms and conditions therein and agree to be bound by the same.
10. I/we confirm that if we are declared as the Successful Bidder, we shall (i) submit the duly executed copy of the LOI to the Liquidator as per the terms of the E-Auction Process Document; (ii) make the payment of the balance Sale Consideration as specified in the E-Auction Process Document within 90 days of issuance of the LOI. Further, I/we confirm that we will pay interest @12% for the payments made after thirty days in accordance with Paragraph 1(12) of Schedule I of IBBI (Liquidation Process) Regulation, 2016.

11. I / We confirm that our participation in the E-Auction Process, submission of Bid or the sale of the Assets of the Company, pursuant to the provisions of the E-Auction Process Information Document will not conflict with, or result in a breach of, or constitute a default under (i) our constitutional documents; or (ii) any Applicable Law; or (iii) any authorization or approval of any government agency or body; or (iv) any judgement, order, injunction, decree, or ruling of any court or governmental authority, domestic or foreign binding on me / us; or (v) any agreement to which I am / we are a party or by which I am / We are bound.
12. I/ We understand that I/We shall be responsible for fully satisfying ourselves with the requirements of the IBC and the related regulations as well as all Applicable Law(s) that are relevant for the E-Auction Process and consummating the sale of the specified Assets belonging to the Company. I/We shall be responsible for obtaining requisite regulatory or statutory or third-party approvals, no-objections, permission or consents, if any, that are or may be required under Applicable Law(s) for consummation of sale of the Assets belonging to the Company in accordance with the provisions of IBC and Liquidation Process Regulations.
13. I/ We understand that I/We shall be responsible to ensure that I/We are wholly eligible to take part in the E-Auction and participate in the bid for the purchase the Assets belonging to the Corporate Debtor and to provide the requisite Affidavits, documents to prove that I/We are fully compliant with the various laws, rules, regulations, policies laid down by the Government of India including but not limited to the Foreign Exchange Management Act 1999, the Foreign Trade (Development and Regulation) Act, 1992, the Customs Act 1962, the Securities and Exchange Board of India Act, 1992 and all other Applicable Laws in India.
14. I/We understand that any lapses, breaches, contraventions, violations of any of the Applicable Laws in India shall result in our automatic disqualification,

irrespective of the stage of the E-Auction.

15. I/We understand and agree that upon such disqualification, I/we shall stand to forfeit and lose the EMD, if any paid, and the Liquidator cannot be held responsible for the same. I/We understand that the responsibility of ensuring complete compliances with the laws in force in India shall vest in entirety with us only.
16. The decision taken by the Liquidator with respect to the selection of the Successful Bidder and communicated to us shall be binding on me/us.
17. I/We also undertake to abide by the additional conditions if announced during the e-auction including any announcement(s) on correction of and / or additions or deletions to the time of auction portal being offered for sale.
18. I/We confirm that the Liquidator and his representatives/ employees, shall not be liable and responsible in any manner whatsoever for my/our failure to access and Bid on the E-Auction portal due to any unforeseen circumstances etc. before / during the E-Auction event and post issuance of the Certificate of Sale (as may be applicable)..
19. I/We hereby confirm that I/We shall bear the applicable stamp duties/ additional stamp duty / transfer charges, fee, taxes, Good and Services Tax, license and approvals transfer fees etc. and also all the statutory/ non statutory dues, taxes, rates assessment charges fees etc. owing to anybody.
20. I/We hereby confirm that we shall be solely responsible for obtaining and carrying out necessary actions and obtaining necessary approvals in order to effectuate fully the purposes, terms and conditions of the sale of the Assets of the Company as per the terms of this E-Auction Process Document, including but not limited to, obtaining or renewing any license, consent, certificate, permit or other authorization, including procuring all necessary approvals

from Persons, governmental and statutory authorities, if any, as may be required. The Liquidator shall in no way be held responsible nor shall there be any reduction in the Bid price/Sale Consideration as per the e-auction in case the of failure or delays on the part of the Successful Bidder to obtain the said approvals, licenses and permissions in its name or complete any other actions as the Successful Bidder may require.

21. I/We hereby confirm that we shall be primarily liable in respect of our payment and other obligations under the E-Auction Process Document and I/we undertake that in the event of any default, we shall fulfil our obligations within the timelines specified hereunder and no extension shall be provided by the Liquidator.
22. I/We hereby confirm that I/we are eligible to submit our Bid in relation to sale of the assets of the Company under Section 29A of the Insolvency and Bankruptcy Code, 2016 read with subsequent amendments thereto.
23. The capitalized terms not defined in this Bid Declaration Form and phrase "sale of the Company" and "sale of the Assets of the Company" shall have the same meaning as ascribed to it in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

(Signature with SEAL)

Name:

Address:

Email:

ANNEXURE - IV
TECHNICAL TERMS & CONDITIONS OF E-
AUCTION SALE

1. Intending bidders shall have a valid, existing and functional e-mail ID, valid PAN Card and know your customer documents to register with the E - Auction Service Provider.
2. Bidders have to register themselves with the E-Auction Service Provider.
3. Only upon verification of the online form and confirmation of remittance of EMD will the Qualified Bidders be declared and thereafter, permitted to access the Platform for bidding for the Company.
4. The Bidder shall be solely responsible for all consequences arising out of the Bid submitted by him (including any wrongful bidding) and no complaint/ representation will be entertained in this regard by the agency/ the Liquidator. Hence, Bidders are cautioned to be careful to check their bid amount(s) and alter/rectify their Bid if required before confirming the Bid submitted.
5. Bidders should not disclose their User ID as well as password and other material information relating to the bidding to anyone to safeguard its secrecy.
6. Bidders are advised to change the password immediately on receipt thereof.
7. The Affidavit and Undertaking and Bid Declaration Form by the Bidders as per the formats substantially provided in Annexure I and III respectively of the E- Auction Process Information Document be executed by the Bidders in accordance with Applicable Law(s) and it must be in issued in accordance with the constitutional documents of the Bidder, if applicable, after obtaining

all corporate approvals as may be required. The extract of constitutional documents and certified copies of the corporate approvals must be enclosed with the Bid Declaration Form by the Bidders. In case of Bidder being an individual, the declaration must be personally signed by the Bidder. In case the Bidder is not an individual, the declaration must be signed by a person who is in full time employment of the Bidder and duly authorized to sign the same.

8. All the aforementioned documents are required to be uploaded on the portal and the original physical copies thereof shall be provided by the Successful Bidder to the Liquidator in accordance with the E- Auction Process Information Document.
9. All Bid(s) placed are legally valid bids and are to be considered as bids from the Bidder himself. Once the Bid is placed, the Bidder cannot reduce or withdraw the Bid for whatever reason. If done so, the EMD deposited by the Bidder shall be forfeited.
10. The highest Bid on the E-Auction date shall supersede all the previous bids of the respective Bidders. The Bidder with the highest offer/ bid does not get any right to demand for acceptance of his Bid.
11. After the conclusion of the E-Auction of the Company, the Successful Bidder shall be informed through a message generated automatically by the portal, of the outcome of the E-Auction. A separate intimation shall also be sent to the Successful Bidder. The date of sending of the e-mail intimating the Successful Bidder shall be considered as the date of receipt of the Intimation i.e. date of intimation.
12. Bidders may encounter certain unforeseen problems such as time lag, heavy traffic, and system/ power failure at the Bidder's end. To avoid losing out on bidding because of above- mentioned reasons, it is advised not to wait for the

last moment. The Bidders are required to keep themselves updated with any revised terms and conditions of E-Auction by regularly visiting the links of the auction portal and website of the Company as mentioned in this E-Auction Process Information Document.

13. In addition to all the information, terms and conditions specified herein, the Clauses 8 and 9 of the E-Auction Bid Information Process Document shall also be applicable.

ANNEXURE V - CONFIDENTIALITY UNDERTAKING

(on stamp paper)

This Confidentiality Undertaking has been signed by **(Name of potential Bidders)** having its office at ___ acting through Mr. **(Name of person authorised by potential Bidder(s))**, the authorized signatory/authorized representative ("**Bidder**"), which expression shall, unless repugnant to the context, be deemed to include its successors, assigns or legal representative) in favour of **Mr. Santanu T Ray**, an Insolvency Professional having registration no. IBBI/IPA-002/IP-N00360/2017-2018/11055.

WHEREAS **Firestar Diamond International Private Limited**, a company registered under Companies, Act, 1956 (hereafter referred as the "**Company**") is undergoing liquidation vide NCLT Mumbai Bench ("**NCLT**") order dated 26th February 2020. Vide the said NCLT Order **Mr. Santanu T Ray**, a registered insolvency professional with Insolvency and Bankruptcy Board of India (IBBI) having registration number IBBI/IPA-002/IP-N00360/2017-2018/11055 has been appointed as liquidator to manage, protect, sell and liquidate the property, assets, business and other affairs of **Firestar Diamond International Private Limited** (in liquidation) ("**Liquidator**").

WHEREAS the Liquidator has invited prospective Bidders for the purpose of submission of Bid through E-Auction Process in respect of sale of the Assets of the Company in accordance with the provisions of E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and provisions of Insolvency and Bankruptcy Code, 2016 ("**IBC**") read with the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("**Liquidation Process Regulations**").

WHEREAS the Liquidator is required to share certain data, documents in relation to the Company for facilitating the prospective Bidder(s) in their due diligence after receiving an undertaking from each of the potential Bidder(s) to the effect that such member shall maintain confidentiality of the information received from the data room and during the course of due diligence 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 IBC and Liquidation Process Regulations.

THEREFORE, the Bidder (s) hereby declare(s) and undertake(s) as follows:

1. The Bidder(s) shall not divulge any part of the information memorandum and information contained accessed through the Data Room which shall mean the virtual data room maintained by the Liquidator, created for the Qualified Bidders to access information in relation to the Company or any other data shared by the Liquidator, through oral or written communication or through any mode to anyone and the same shall constitute “**Confidential Information**”. Any information or documents generated or derived by the recipients of Confidential Information that contains, reflects or is derived from any Confidential Information shall also be deemed as Confidential Information.
2. The Bidder (s) further unconditionally and irrevocably undertake and declare that:
 - a) the Confidential Information shall be kept secret and confidential by the Bidder (s) and shall be used solely in accordance with the terms of the IBC;
 - b) the Bidder(s) shall not use the Confidential Information to cause any undue gain or undue loss to itself, the Company, Liquidator or any other person;
 - c) the Bidder(s) shall comply with all provisions of Applicable Law(s) for the time being in force relating to confidentiality and insider trading;
 - d) the Bidder (s) shall protect any intellectual property of the Company which it may have access to;

- e) the Confidential Information may only be disclosed to and shared with any employees or its advisors by the Bidder(s), in accordance with Applicable Law(s), including in relation to confidentiality and insider trading, and terms of this Confidentiality Undertaking on a strict need-to-know basis and only to the extent necessary for and in relation to the liquidation process of the Company, provided that the Bidder binds such employees and third parties, by way of an undertaking/ agreements, to terms at least as restrictive as those stated in this Confidentiality Undertaking.
- f) the Bidder(s) shall ensure that all Confidential Information is kept safe and secured at all times and is protected from unauthorised access, use, dissemination, copying, any theft or leakage;
- g) the Bidder(s) shall immediately destroy and permanently erase all Confidential Information upon the completion of sale of the Assets of the Company as provided under E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited and the Liquidation Process Regulations;
- h) the Bidder(s) shall take all necessary steps to safeguard the privacy and confidentiality of the information received through the access of the Data Room and shall use its best endeavors to secure that no person acting on its behalf divulges or discloses or uses any part of the Confidential Information, including but not limited to the financial position of the Company, all information related to disputes by or against the Company and other matter pertaining to the Company; and
- i) the Bidder(s) shall be responsible for any breach of obligations under this confidentiality undertaking (including any breach of confidentiality obligations by any employee or advisor or agent or

director of the Bidder) and shall indemnify the Liquidator for any loss, damages, expenses and costs incurred by the Liquidator due to such breach of such obligations by the Bidder (s) or any person acting on its behalf.

3. Notwithstanding anything to the contrary contained herein, the following information shall however not be construed as Confidential Information:
 - a) information which, at the time of disclosure to the Bidder (s) was already in the public domain without violation of any provisions of Applicable Law(s); or
 - b) information which, after disclosure to the Bidder(s) becomes publicly available and accessible without violation of Applicable Law (s) or a breach of this Confidentiality Undertaking; or
 - c) information which was, lawfully and without any breach of this Confidentiality Undertaking, in the possession of the Bidder (s) prior to its disclosure, as evidenced by the records of the Bidder(s).

4. The Bidder(s) hereby expressly agrees and acknowledges that the Liquidator makes no representation, warranty or inducement, whether express or implied, as to the accuracy, completeness, authenticity or adequacy of the information (including but not limited to the Confidential Information) provided to the Bidder(s) in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited/ Information Memorandum and Information in the Data Room. The Bidder(s) further agrees and acknowledges that the Liquidator shall not be liable to the Bidder(s) for any damage arising in any way out of the use of the Confidential Information and further that the Bidder(s) shall not have any claim against the Liquidator or the Company in relation to any information provided.

5. The terms of this Confidentiality Undertaking may be modified or waived only by a separate instrument in writing signed by the Bidder(s) and the Liquidator that expressly modifies or waives any such term.
6. Damages may not be an adequate remedy for a breach of this Confidentiality Undertaking and either party may be entitled to the remedies of injunction, specific performance and other equitable relief for a threatened or actual breach of this Confidentiality Undertaking.
7. Nothing in this Confidentiality Undertaking shall have the effect of limiting or restricting the liability of the Bidder(s) arising as a result of its fraud or willful default as defined under Applicable Law(s).
8. The undersigned hereby represents and warrants that it has the requisite power and authority to execute, deliver and perform its obligations under this Confidentiality Undertaking.
9. This Confidentiality Undertaking and any dispute, claim or obligation arising out of or about it shall be governed by and construed in accordance with Indian laws and the courts and tribunal of Mumbai shall have exclusive jurisdiction over matters arising out of or relating to this Confidentiality Undertaking.
10. Capitalized terms not defined under this Confidentiality Undertaking shall have the same meaning as provided in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

I further declare that I, the undersigned have full knowledge of the contents provided in this undertaking and have absolute authority to sign this undertaking on behalf of [*insert the name of the Bidder (s)*].

Signed on behalf of

(Name of Bidder(s))

by Mr. _____ (Name and Designation)

Authorised Signatory

Date:

Place:

Note- In case of consortium, undertaking to be executed by each of the members.

ANNEXURE VI
DETAILS OF THE BIDDER

[Note: In case of joint applicants, the details set out below are to be provided for each of the entities / groups submitting Joint Application]

1. Name and Address:

- a) Name of the Firm/Company/Organization:
- b) Address:
- c) Telephone No:
- d) Email:
- e) PAN/CIN:

2. Date of Establishment:

3. Core Area of Expertise:

4. Contact Person:

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

5. Company /FI Profile:

- a) Financial Profile of the bidder (consolidated / standalone as applicable):

Shall fulfill the Eligibility Criteria for Companies/LLP/OPC registered with ROC under Companies Act and for Individuals/ Firms /Sole Proprietorship /HUF /Partnership

- b) Minimum Net Worth of Rs. 10 Crore as per the Financial Statements of the latest Financial Year certified and issued by a qualified practicing Chartered Accountant;

[Note: The Company profile should necessarily include net worth and revenue numbers of the preceding three years. Where the entity submitting the Bid is a

financial creditor, 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, 2024, for investment.]

- c) Names & DIN/PAN of Directors/Partners/Designated Partners including Independent Directors
- d) Experience of the Company in the relevant sector.
- e) Names of key lenders, if any, to the Company or its affiliates
- f) 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'.
- g) Any other relevant details which are material to be disclosed to the Liquidator prior to bidding.

SIGNATURE AND NAME OF AUTHORISED PERSON

DATE:

PLACE:

ANNEXURE-VII
AFFIDAVIT BY THE APPLICANT

(To be executed on non-judicial stamp paper of appropriate stamp duty value relevant to the place of execution)

I, *[name of the Individual/chairman/managing director/director/authorized person of Bidder, authorized by the Board of the Applicant for giving such affidavit]*, son of *[_____]*, aged about *[__]* years, currently residing at *[Address to be inserted]* and having Aadhaar/ Passport number *[_____]*, on behalf of *[name of the Applicant]* having registered office at *[_____]*, do solemnly affirm and state to the Liquidator of **Firestar Diamond International Private Limited** - In Liquidation that we are eligible under the qualification criteria as required for submission of bid vide Public Announcement dated **(07/10/2024)** as disclosed in the information and under records with us.

I, *[name of the Individual/ chairman/managing director/director/authorized person of Applicant, authorized by the Board of the Applicant for giving such affidavit]*, further acknowledge that I have carefully read the entire document and I am aware of all existing conditions and limitations in relation to the same.

I, *[name of the Individual/ chairman/managing director/director/authorized person of Applicant, authorized by the Board of the Applicant for giving such affidavit]* state that we have attached necessary information requested by the Liquidator. The information furnished by us is true, correct and accurate to the best of our knowledge. Based on this information, we understand that you would be able to evaluate our preliminary proposal in order to pre- qualify for the purpose of bidding.

Solemnly affirmed at *[_____]* on the *[__]* day of *[_____]* 2024

Before me,

DEPONENT

Notary/Oath Commissioner

VERIFICATION:

I, *[name of the Individual/chairman/managing director/director/authorized person of Sponsor, authorized by the Board of the Sponsor company (in case of a company) for giving such affidavit]*, the deponent above named, on behalf of *[name of the Sponsor]*, currently residing at [_____], do hereby solemnly state on oath and declare and verify that the contents of the above affidavit are true, correct and complete to the best of my knowledge and nothing material has been concealed therein.

Verified at [_____] on the [_____] day of [_____] 2024

DEPONENT

ANNEXURE-VIII
(Description of Assets & Liabilities)

It is to be noted that vide the instant E-Auction Process, the Liquidator of the Corporate Debtor would be selling the shares owned by the Corporate Debtor in a company by the name and style of Rhythm House Private Limited;

It is pertinent to note that Firestar Diamond International Private Limited owns 99.77% shareholding of Rhythm House Private Limited whereas Firestar International Limited owns 0.23% of the shareholding of Rhythm House Private Limited. The Liquidator for both the entities owning the shareholding in Rhythm House Private Limited is Mr. Santanu T. Ray and he was appointed by the Hon'ble NCLT, Mumbai Bench vide Orders dated 26.02.2020 and 10.08.2021 respectively.

The Successful Bidder in an auction pertaining to the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited vide the instant E-Auction Process Information Document shall be entitled to the complete shareholding held by the Corporate Debtor in the Rhythm House Private Limited and also the underlying assets & liabilities of Rhythm House Private Limited which are as follows:

Value of Shares:

Number of Shares held by FDIPL = _____ shares.

Value of Each Share = INR _____ /- (Rupees _____ only).

Total Value of Shares = INR _____ /- (Rupees _____ only).

Details of the Underlying Assets of Rhythm House Private Limited:

- a) Unit nos. 4101/05 on the Ground Floor admeasuring 3600 sq. ft approx in the National Indian Building nos. 1 and 2 now known as "Kala Ghoda Buildings Bhadekar Co-operative Premises Society Ltd. situate at Dr. V. B. Gandhi Marg, Kalaghoda, Fort, Mumbai- 400001 bearing New Survey no. 1/9486 now C S No. 143 of Fort Division;

b) Unit no. 1G admeasuring 10,526.12 sq.ft (inclusive of the full areas of the balconies) on the ground floor in Tower 1, wing 'B' of the commercial building in the commercial complex known as Kohinoor City Mall along with 5 covered parking spaces in Lower Level Basement of the Building bearing numbers 39, 40, 40A, 41A and 42A and 10 car parking spaces in Lower Level Basement of Wing 'A' forming part of Kohinoor City bearing numbers 217,218,219,220, 221, 222, 223, 379, 380 and 391 standing on all that piece and parcel of land admeasuring 55,772.65 sq. mtrs bearing New CTS nos. 637/B/2 (part) and 637/B/1C situated at Kurla Village, Taluka Kurla, District M.S.D

It is also pertinent to note that the aforesaid Property (b) situated at Kurla, Mumbai, Maharashtra was purchased by Rhythm House Private Limited using the monies lent and advanced by the Corporate Debtor for the said purpose. The said loan is also evinced in the balance sheet of the Corporate Debtor and a copy of the same with relevant excerpts is also made available in the Data Room for the purpose of any due diligence by the Qualified Bidders.

The total Sale Consideration as specified in the E-Auction Process Information Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited would have to be paid by the Successful Bidder to the Liquidator within 90 days from being declared as the Successful Bidder in order to be entitled to the transfer of the shares of Rhythm House Private Limited. It is also to be noted that in accordance with Paragraph 1(12) of Schedule I of IBBI (Liquidation Process) Regulations, 2019, payments made after thirty days shall attract interest at the rate of 12%. Subsequently, the said loan liability shall be assigned by the Corporate Debtor to the Successful Bidder, wherein the latter shall become the rightful assignee of the said debt and the Liquidator shall also take necessary steps to ensure that the transfer of shares held by the Corporate Debtor is done in the name of the Successful Bidder in accordance with the laws in force in the country.

Annexure-IX -
Format of Board Resolution

(On the letter head of the Bidder)

CERTIFIED TRUE COPY OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS ("BOARD") OF [Insert name of the Bidder] ("COMPANY") IN THE MEETING HELD ON [Insert Date. AT [Insert Time AT [Insert Place]

WHEREAS pursuant to the process document dated ("Process Document"), issued by Liquidator of Firestar Diamond International Private Limited ("Corporate Debtor"), in relation to submission of bids for acquisition of the specified Assets of the Corporate Debtor the Company, being the Bidder, is desirous of submitting a Bid for the Company in accordance with the requirements of the E-Auction Bid Process Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited.

In view of the above, the Board has resolved as follows:

"RESOLVED THAT [Insert name & designation of the Authorized Representative(s)]. of the Company, be and is hereby authorized to take all the steps required to be taken by the Company for the submission of the Bid in accordance with the terms of the E-Auction Bid Process Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited., including the following:

- submit the Bid and other requisite documents, in accordance with the terms of the E-Auction Bid Process Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited:
- execute all other agreements, deeds, writings and powers of attorney as may be required in relation to the E-Auction Bid Process Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited, including any amendments or modifications as may be suggested by the Liquidator of Firestar Diamond International

Private Limited to any of such executed agreements, documents or other writings and in general to do all such acts, deeds and all things as may be required or considered necessary under or in respect of the E-Auction Bid Process Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited :

- submit necessary clarifications or information in relation to the Bid, as may be required in accordance with the E-Auction Bid Process Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited:
- operate the account created by the Bidder on the web portal of the e-auction agency engaged by the Liquidator for the submission of Bid as per the terms of the E-Auction Bid Process Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited:
- pay such amounts and consideration, in the manner as may be agreed with the Liquidator, in accordance with the procedure set out under the E-Auction Bid Process Document for the Sale of the Shares owned by the Corporate Debtor in Rhythm House Private Limited in furtherance of or under the Bid: and
- to generally do or cause to be done all such acts, matters, deeds and things as may be necessary or desirable in connection with or incidental or for the purpose of implementation and giving effect to the above resolutions for and on behalf of the Company, and to comply with all other requirements in this regard."

"RESOLVED FURTHER THAT a certified copy of the foregoing resolution be furnished as may be required, under the signature of [insert]."

Certified to be true
FOR THE COMPANY

Notes:

- 1) The contents of the format may be suitably re-worded indicating the identity of the entity passing the resolution.

2) The Board Resolution being provided by a company incorporated in India, the Board Resolution shall to be notarized by a notified notary.

3) In case the Board Resolution is alone not adequate for authorizations of the actions contemplated in the Board Resolution, then in addition to the Board Resolution, all other corporate and other authorizations, as are required to give effect to the aforesaid authorizations (e.g., necessary shareholders resolution, if required) would also be submitted and the copy of the same shall be authenticated in the same manner as Board Resolution. Such authorizations should meet the expectation of the Liquidator and Liquidator may not accept such authorizations if it/they does/do not meet the requirement of the Liquidator.

4) The Board Resolution is to be certified in accordance with applicable law and the constitutional documents of the Company.