

INVITATION FOR EXPRESSION OF INTEREST

TO SUBMIT BID FOR STRATEGIC INVESTMENT IN CARVED OUT ENTITY OF AN EPC COMPANY

A. BACKGROUND:

Consortium of lenders (“Client”) have mandated Desai Saksena & Associates, Chartered Accountants to identify strategic investor in a carved-out entity (“Target Company”) of Hindustan Construction Company Limited (HCC).

Accordingly, *Expression of Interest* (“EOI”) from interested and eligible Potential Investors (“PI”) for the purposes of submission of bid in the Target Company are called for.

Any PI which is desirous of submitting a bid for the Target Company may submit its EOI along with the relevant documents either via email to contact@dsaca.co.in / hitesh@dsaca.co.in or through speed post / registered post or by hand delivery in a sealed envelope at below mentioned address. The sealed envelope should be super scribed as “*Expression of Interest for Carved Out Entity of HCC*” in the name of Hitesh Bhattar, C/O - Desai Saksena and Associates at Laxmi Building, First Floor, Sir Phirozshah Mehta Road, Fort, Mumbai 400 001, Maharashtra on or before 6.00 PM IST on 27 January 2022.

SD/-
Dr. Shashank Desai
Partner
Desai Saksena & Associates
Chartered Accountants
FRN: 102358W
Date:18th January 2022

B. ELIGIBILITY CRITERIA:

The eligibility criteria for PI as approved by the Consortium of Lenders is set out below-

1. **For Individuals/Firms/LLP/Body Corporates:** Consolidated Net Worth as per the latest audited balance sheet should be at least INR 100.00 Crores at group level (including the promoter or Ultimate Beneficial Owner) in the immediately preceding completed financial year. Net Worth of the Body Corporates will be the total of Equity Share Capital and Reserves & Surplus / Other Equity excluding any revaluation reserve as at the close of the preceding completed financial year. The consolidated group revenue of the investor to be INR 200.00 Crores as per last audited financials. In case the financials are not yet audited then a certificate from the auditor, certifying actual Net worth and Turnover for the group will have to be submitted.
2. **For Financial Institutions/ PE Funds/ Asset Reconstruction Companies/ NBFCs/ Other Financial Investors:** Assets under management (AUM) / Loan Portfolio of at least INR 1000.00 crores in the immediately preceding completed financial year with committed funds of INR 100.00 Crores available for investment/ deployment in Indian Companies or in India. While computing AUM/ Loan Portfolio, the said committed funds to be included.
3. **For Consortium of Investors:** The designated lead partner should meet any one of the above conditions (as applicable). Consortium of members may be upto 4 members, with each member, meeting atleast 10% of each of the above conditions (as applicable)
4. Other Terms and Conditions
 - i. The share of EPC business in the group revenue of the prospective investor should not be more than 40% of the total group revenue.
 - ii. The prospective investor should be eligible as per section 29A of the Insolvency and Bankruptcy Code, 2016 and should furnish declaration for the same as per **Annexure C**. The provisions of Section 29A are set out in **Annexure A** for ease of reference
 - iii. The investor should be willing to acquire majority stake (51%) & management control in the SPV, with lead member acquiring minimum 26% stake.
 - iv. Refundable Security Deposit of INR 25 Lakhs is to be submitted as per details mentioned in Sub-clause 3 of Clause C, before getting access to the data room.
 - v. Potential Investor should agree to Material Terms and Conditions as presented in **Annexure E**.

C. INSTRUCTION FOR SUBMISSION OF EOI:

1. The Expression of Interest, conforming to the conditions of this Invitation shall be submitted either electronically or physically along with all annexure (s) duly filled in and all the supporting documents at the address provided above.

2. The EOI received after the appointed time and date will be rejected.
3. A fully refundable deposit of INR 25 Lakhs is to be submitted in the form of a demand draft / RTGS at the time of submission of EOI. In the event, the potential investor is rejected by the Lenders or withdraws its EOI, then the refundable deposit will be returned to the potential investor within 7 working days of the receipt of request from the Potential Investor. The Demand Draft Should be made in favor of "Desai Saksena & Associates" Payable at Mumbai. Details for RTGS shall be shared with Potential Investor on email as and when requested. The lenders reserve the right to forfeit this amount, in case any of the declaration made by the PI is found to be false.
4. The EOI should be unconditional and should be submitted in the format attached in 'Annexure B'. It should be accompanied with the following documents/ information:
 - (a) Executive Summary providing brief description of the PI and (where appropriate) of each member in the Consortium of Investors and key managerial personnel.
 - (b) Contact information of the PI/ Consortium of Investor members including full name, address, telephone and facsimile numbers, e-mail address and the names and the titles of the persons who are the principal points of contact for each member and identifying lead member of the consortium of Investor (if any).
 - (c) Basic document pertaining to incorporation and commencement of business such as a copy of Certificate of Incorporation / Certificate of Commencement of Business / Constitution Documents / Partnership Deed, etc as may be applicable / SEBI Registration Certificate for Alternative Investment Funds or any Government issued identification proof.
 - (d) Latest available audited financial statement of the PI, and/or its promoter/promoter group or any other group company as per eligibility criteria, with the closing period not earlier than 31st March 2021 or any other document evidencing eligibility as per criteria e.g.- Certificate by Chartered Accountant/Statutory Auditor or equivalent/similar, certifying the Net worth/Assets Under Management, as applicable. In case the eligibility criterion is being met on account of group companies, please submit a declaration that the promoter/promoter group or any other group company is part of the same group along with the group structure and shareholding pattern. Please note that the PI shall provide all relevant documents for its promoter/promoter group or any other group company, if required to meet the eligibility criteria.
 - (e) A Declaration cum Undertaking in the format attached in 'Annexure C'.
 - (f) An Undertaking as set out in 'Annexure D' to be submitted in case of consortium of Investors.
 - (g) In case of a Consortium, the relevant documents will need to be provided by each member of the Consortium of Investors.

- (h) Board Resolution/ Authorization letter authorizing the person signing the EOI documents.
5. Any additional document/information which PI finds necessary to submit or requested by DSA / Lenders must be furnished by PI.
 6. DSA shall share the access to Virtual Data Room with the PI who are found eligible to participate in the next stage.
 7. The evaluation of the bidders shall be done, basis the evaluation criteria, as per Annexure F
 - The Investors shall furnish a Bid Bond Guarantee / Demand Draft from any nationalized bank/ RTGS/ Cash deposit (Performance Security) of an amount equivalent to 5% of Resolution Amount (equity plus debt investment proposed) within 7 days from announcement of winning bidder. The lenders shall have a right to forfeit the amount of INR 25 lakhs (furnished by the investor at the time of submitting its EOI), in case (a) the information submitted by the PI along with the bid documents are found to be false, (b) the Performance Security is not furnished by the said successful investor within this stipulated timelines and (c) the bidder decides to withdraw its bid, after submitting the same. The lenders also have the right to invoke the Bid Bond Guarantee towards Performance Security and forfeit the resultant amount/ forfeit the amounts furnished by the PI towards the Performance Security, if the winning bidder fails to comply with conditions as mentioned in this EOI document or fails to comply with any additional/ modified condition, as may be mutually agreed upon by the lenders & the PI.
 8. The broad steps involved will therefore be:
 - EOI submission by interested bidders along with Refundable Security Deposit of INR 25 lakh
 - Refund of INR 25 lakh deposit to the PIs, who have decided not to submit the bid
 - Opening of the bids and selection of the winning bidder by the lenders
 - Communication by the lenders/ lead bank to winning bidder
 - Submission of Performance Security equivalent to 5% of Resolution Amount within 7 days of communication from lenders/ lead bank
 - Refund of Refundable Security Deposit of INR 25 lakh to the non-winning bidders
 - Refund of Refundable Security Deposit of INR 25 lakh to the winning bidder, once the stipulated Bond Guarantee is received from the winning bidder
 - Lenders have the right to forfeit the Refundable Security Deposit of INR 25 lakh under the circumstances, as mentioned above, and can decide on its utilization.
 - The lenders also have the right to invoke the Bid Bond Guarantee towards Performance Security and forfeit the resultant amount/ forfeit the amounts furnished by the PI towards the Performance Security, if the winning bidder fails to comply with conditions as mentioned in this EOI document or fails to comply with any additional/ modified condition, as may be mutually agreed upon by the lenders & the PI and can decide on utilization of the said forfeited amount.
 - Winner to deposit equity amount in a prescribed account within 7 days from demand by lenders, in the eventuality that Resolution Plan is not completed the deposited amount will be returned to the investor without any interest

- Winner to deposit Priority debt amount in a prescribed account within 7 days of allotment of equity to it by Carved-Out Entity and signing of RP documents by majority of lenders.
9. **DSA / Lenders reserves the right to extend the time limit for submission of EOI or to cancel the EOI or reissue the EOI or modify the process and/ or not to accept and/ or disqualify any PI without assigning any reason and without any liability.**
10. This is not an offer document.

D. CLARIFICATIONS

Any queries or request for clarification/additional information concerning this EOI shall be submitted by way of email to contact@dsaca.co.in / hitesh@dsaca.co.in not later than 27 January, 2022. The Communications shall clearly bear the following identification/ title:

"Queries/ Request for Additional Information: EOI For Strategic Investment In Carved Out Entity Of HCC."

SD/-
Dr. Shashank Desai
Partner
Desai Saksena & Associates
Chartered Accountants
FRN: 102358W
Date: 18th January 2022

‘ANNEXURE A’

SECTION 29A

A PI will not be eligible to submit the EOI if he/she/it or any person acting jointly or in concert with him/her/it:

1. is an undischarged insolvent;
2. is a willful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;
3. The PI, any of the member of Consortium of Investors have defaulted in payment of dues to any bank/ financial institution during last one year period. Additionally, any of the company wherein the Directors of the PI are Directors, have defaulted in payment of dues to any bank/ financial institution during last one year period.
4. at the time of submission of the resolution plan (*in our case, 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 nonperforming asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 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 (*in our case, issue of advertisement*):

Provided that the person shall be eligible to submit a resolution plan (*in our case, bid*) 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 (*in our case, bid*):

Provided further that nothing in this clause shall apply to a potential investor where such investor 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 (*in our case, target company and its related companies*) 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 (*in our case, issue of advertisement*):

Explanation II.— For the purposes of this clause, where a resolution applicant (*in our case, potential investor*) 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 the Code, then, the provisions of this clause shall not apply to such resolution applicant (*in our case, potential investor*) for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under the Code;

5. has been convicted for any offence punishable with imprisonment—
 - I. for two years or more under any Act specified under the Twelfth Schedule of the Code; 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.

6. Is disqualified to act as a director under Companies Act, 2013; Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I.
7. Is prohibited by the Securities Exchange Board of India from trading in securities or accessing the securities market;
8. Has been a promoter or in the management or control of the Company 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 the 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;

9. Has executed a 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 Code and such guarantee has been invoked by the creditor and remains unpaid in full or part
10. Is subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or
11. 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 (*in our case, potential investor*) 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 (*in our case, target company and its related companies*) 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 Organisation 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.

**‘ANNEXURE B’
FORMAT OF EXPRESSION OF INTEREST**

*[On the letterhead of the Lead Member of the consortium of Investors/Prospective Resolution
Applicant Submitting the EOI]*

Date: [●]

To
Dr. Shashank Desai
Desai Saksena & Associates
First Floor, Laxmi Building,
Sir Phirozshah Mehta Road,
Fort, Mumbai - 400 001,
Maharashtra,
India

Subject: Expression of Interest (“EOI”) for submitting Bid for Strategic Investment In Carved Out Entity of Hindustan Construction Company Limited.

Dear Sir,

This is with reference to the invitation for submission of expression of interest dated XX XX, 2022 inviting expression of interest (“**Invitation for EOI**”) for submission of Bid for Strategic Investment In Carved Out Entity of Hindustan Construction Company Limited.

Being duly authorized to represent and act on behalf of _____ (hereinafter referred to as the “PI”) and having reviewed and fully understood all of the qualification requirements and information provided, the undersigned hereby expresses the PI’s interest for submission of Bid for Strategic Investment in Carved Out Entity of Hindustan Construction Company Limited.

We further undertake that the information furnished by us in this EOI and its annexures is true, correct, complete and accurate. We further understand and confirm that:

- (a) the EOI will be evaluated by the Desai Saksena & Associates / Consortium Lenders based on the information provided by us in this EOI and attached documents to determine whether we qualify to submit the Resolution Plan for the Company;
- (b) Desai Saksena & Associates / Consortium Lenders reserve the right to determine at their sole discretion, whether or not we qualify for the submission of the bid and may reject the EOI submitted by us without assigning any reason and without any liability whatsoever;
- (c) Desai Saksena & Associates / Consortium Lenders reserve the right to conduct due diligence on us and/or request for additional information or clarification from us for the purposes of the EOI and we shall promptly comply with such requirements. Failure to satisfy the queries of the Desai Saksena & Associates / Consortium Lenders may lead to rejection of our EOI;
- (d) Meeting the qualification criteria set out in Invitation for EOI alone does not automatically entitle us to participate in the next stage of the bid process;

- (e) In case of consortium of Investors, we would comply with the eligibility criteria pertaining to equity holding i.e. the lead member must hold maximum equity or should have at least 26% total equity participation in the consortium of Investors and a maximum of 04 members shall form such a consortium of Investors;
- (f) along with our EOI, we have also enclosed information/documents as required in the Invitation for EOI.
- (g) We agree with other material terms and conditions as set out in Annexure E.
- (h) We understand that Desai Saksena & Associates / Consortium Lenders reserve the right to reject our bid, if submitted, without ascribing any reason thereof.

Yours Sincerely,

On behalf of *[Insert the name of the entity submitting the EOI]*

Signature: _____

Name of Signatory:

Designation:

IF Company: Seal/Stamp

NOTE:

1. In case of Consortium Applicant (of investors), the EOI shall be signed by each member.
2. The person signing the EOI and other supporting documents should be authorized signatory supported by necessary board resolutions/authorization letter.

‘ANNEXURE C’

DECLARATION CUM UNDERTAKING

Date: [●]

To

Dr. Shashank Desai
Desai Saksena & Associates
First Floor, Laxmi Building,
Sir Phirozshah Mehta Road,
Fort, Mumbai - 400 001,
Maharashtra,
India

Subject: Undertaking in relation to submission of the EOI for submitting Bid for Strategic Investment in Carved Out Entity of Hindustan Construction Company Limited.

Dear Sir,

We, the undersigned (“[●]”) are submitting our expression of interest (“**EOI**”) in respect of Invitation for submission of EOI issued by Desai Saksena & Associates on **XX XX, 2022** (“**Invitation for EOI**”) and in this connection we hereby solemnly affirm, declare and undertake as follows:

- (a) We have examined in detail and have understood the eligibility and other criteria mentioned in Invitation for EOI;
- (b) We meet the necessary threshold and criteria mentioned in the EOI;
- (c) We understand the eligibility criteria provided in Section 29A of the Insolvency and Bankruptcy Code, 2016 (“**Code**”) and confirm that we are not an ineligible/disqualified person in terms of provisions of Section 29A of the Code. If, at any time after the submission of this EOI, we become ineligible to be a bidder as per the provisions of the Code (including but not limited to the provisions of Section 29A of the Code), the fact of such ineligibility shall be immediately and in any event within 24 hours of such ineligibility, be informed to Desai Saksena & Associates.
- (d) We agree with the terms and conditions as set out in Annexure E.
- (e) We confirm and represent that we have the requisite corporate authorization to submit the EOI;
- (f) All information and records provided by us to Desai Saksena & Associates in the EOI or otherwise are correct, accurate, complete and true and no such information, data or statement provided by us is inaccurate or misleading in any manner. We shall be solely responsible for any errors or omissions therein.

- (g) We will hold in trust and in confidence the Confidential Information provided to us by the Desai Saksena & Associates and will not, directly or indirectly use the Confidential Information for causing an undue gain or undue loss to itself or any other person or for any purpose other than for submission of resolution plan. We will not disclose or reveal (or permit the disclosure or revelation of) any Confidential Information to any person or party whatsoever (save and except as provided below) without the prior consent of the Desai Saksena & Associates. We will disclose the Confidential Information to our employees, advisors, directors and/or our affiliates (together the “**Representatives**”), strictly on a need to know basis and solely for the purpose of preparation, finalization and submission of the bid, provided always that, each of these Representatives shall, in the course of their duties be required to receive, observe and consider the confidentiality obligations set out hereunder when working towards the preparation/submission of the bid and shall be bound by confidentiality obligations that are at least as stringent as the obligations agreed by us in this undertaking. We will use the same degree of care to protect the Confidential Information as we use to protect its own confidential information but no less than a reasonable degree of care to prevent the unauthorized access, use, dissemination, copying, theft and/or republication of the Confidential Information. We will promptly notify Desai Saksena & Associates of any Confidential Information which has been used by any unauthorised third party provided that such notification shall not relieve us from any liability arising from its breach of this undertaking.

For purposes of this Undertaking, the term “Confidential Information shall mean and include any and all facts, knowledge, information, documents and materials whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of the Company, its affiliates, associates or subsidiaries (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of the Company, market and company-specific data, agreements related to its business including knowhow and technology agreements, agreements relating to license to use intellectual property rights, graphs, drawing, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to the Company's operations prepared by external consultants which are proprietary to the Company, and any information memorandum / draft /final offer document, request for proposal, or other materials prepared in connection with submission of bid, howsoever documented, that has been or may hereafter be provided or shown to us by Desai Saksena & Associates or is otherwise obtained from review of the Company’s documents or property or discussions with the Company/ Desai Saksena & Associates /Lenders irrespective of the form of the

communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by us containing or based, in whole or in part, on any information included in the foregoing. Notwithstanding the foregoing, the following information will not constitute "Confidential Information" for purposes of this undertaking: (a) information which we can prove was already in our possession and was available to us on a non-confidential basis prior to its disclosure to us by the Company/ Desai Saksena & Associates; (b) information which is obtained by us from a third Person who, insofar as is known to us, is not prohibited from disclosing the information to us under a contractual, legal or fiduciary obligation to the Company/ Desai Saksena & Associates; and (c) information which is or becomes generally available to the public otherwise than as a result of a breach of this undertaking by us.

The decision of Desai Saksena & Associates and/or the Consortium Lenders on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding;

- (h) Further, we agree and acknowledge that in case any information/record provided by interest is false, incorrect, inaccurate or misleading, we shall become ineligible to submit the bid and we shall also attract penal action under the India Penal Code.

Yours Sincerely,

On behalf of [*Insert the name of the entity submitting the EOI*]

Signature: _____

Name of Signatory:

Designation:

IF Company: Seal/Stamp

NOTE:

1. The Undertaking should be stamped on a stamp paper of INR 100.
2. The person signing the Undertaking should be authorized signatory supported by necessary board resolutions/authorization letter.
3. For PIs who are not Indian Residents, the undertaking can be submitted on their letter heads instead of stamp paper.

ANNEXURE D'

UNDERTAKING BY CONSORTIUM OF INVESTORS

[To be executed on stamp paper]

To

Dr. Shashank Desai
Desai Saksena & Associates
First Floor, Laxmi Building,
Sir Phirozshah Mehta Road,
Fort, Mumbai - 400 001,
Maharashtra,
India

Subject: Undertaking for Equity Participation.

Dear Sir,

This is in relation to submission of bid for strategic investment in Carved Out Entity of Hindustan Construction Company Limited (“**Target Company**”). In response to the invitation for submission of EOI issued by Desai Saksena & Associates on **XX XX, 2022** (“**Invitation for EOI**”) inviting expressions of interest (“**EOI**”) for submission bid for strategic investment in Carved Out Entity of Hindustan Construction Company Limited, we have submitted an EOI as a consortium of investors. The members of the consortium of investors are as follows:

[Insert names of the members of the consortium of investors, their equity participation in the consortium of investors and indicate the lead member]

As required in terms of the EOI, we agree and undertake that lead member will continue to hold at least 26% equity participation in the consortium of investors. We further agree and undertake that all the members of the consortium of investors shall be jointly and severally responsible for compliance with the terms of the Invitation for EOI and the bid submitted by the consortium of investors.

SIGNED AND DELIVERED BY

[Lead Member/other members of the consortium of investors]

ANNEXURE E'

MATERIAL TERMS AND CONDITIONS

Following terms and conditions have been mutually agreed by the consortium lenders and Potential Investor is required to abide by the same.

1. Terms and conditions related to transfer of awards & claims and proposed transfer of existing debt of lenders into the Target Company

Debt to be carved out	The debt amount proposed to be assigned into the SPV is currently estimated at INR 3,500 Cr (till September 30, 2021) but could increase on date of implementation of RP upon subsequent BG invocation, unpaid BG commission and interest overdues on Term loan and Cash Credit in HCC.
Awards and claims to be assigned	Awards and Claims of HCC with 2.24x cover will be carved-out. Awards to the tune of 0.86x and Claims to the tune of 1.38x will be transferred to the Target Company. Additionally, towards any interest overdues, BG commission and devolved NFB facilities upto date of implementation of RP, cover of 2.5x of Claims to be provided on incremental debt (over ~INR 3,500 Crores) transferred to Claims Co, in absence of further awards The awards & claims will be transferred to the SPV at book value along with related liabilities and debt, net of taxes and TDS
Type of Instrument	The debt proposed to be moved into the target company entity to be novated as NCD/OCD
NCD/OCD Maturity	Moratorium of 4 years 30 September 2026 – 10% 30 September 2027 – 15% 30 September 2028 – 20% 30 September 2029 – 25% 30 September 2030 – 30% The repayment would be along with yield of 12% p.a. compounded annually at the time of redemption of the instruments.
Coupon Rate	0.01% P.A
IRR to lenders	The repayment would be along with yield of 12% p.a. compounded annually at the time of redemption of the instruments.
Foldback	As mentioned in waterfall section
Security Cover for lenders	Overall cover of minimum of 2.2x of claims and awards Additionally, the following contractual comforts would be available for the lenders debt (NCDs/ OCDs): 1. Personal Guarantee of Mr. Ajit Gulabchand (Existing Personal Guarantees clause would continue. Lenders will

	<p>favorably consider to release of Personal Guarantees upon repayment of debt of INR 25.00 billion from S4A implementation date (Target Company and HCC)).</p> <p>2. Corporate Guarantees of HCC for 20% of carved out debt</p>
Early Payment -	Lenders have the right to call for early payment, if the cash flows of the target company permits so.

2. Terms related to Potential Investor (Equity infusion, Priority Debt from Potential Investor and IRR to the Potential Investor

Equity Infusion	<p>Minimum INR 25 crore for acquiring 51% stake in the Target Company along with its management control.</p> <p>Investor to acquire 51% equity in the claims Company along with management and board control, appointment of KMPs.</p> <p>Investor's equity capital to remain locked-in till lenders debt along with agreed IRR is paid in full.</p> <p>Any change in shareholding pattern will be with the approval of the lenders. Any change in shareholding pattern without approval of the lenders would be an event of default resulting into triggering of all rights that would be available with the lenders, including acceleration of debt repayment.</p> <p>Investor would not surrender their voting rights to HCC at any points in time during the tenure of the lenders loan.</p>
Priority Debt	<p>It will be deposited in the form of Non-Convertible Debenture (NCD) with a super priority structure which will have a 6-year tenure and agreed coupon compounded yearly.</p> <p>The principal and coupon will be paid upon receipt of cash from claims before payment of lenders debt but after meeting the expenses of the SPV which will be capped at 1% p.a. (plus adequate YOY escalation and applicable taxes) of the AUM unless otherwise expressly approved by the consortium of lenders.</p> <p>Investor to bring minimum total priority debt of INR 75 crores to be disbursed upfront, once the equity is infused</p>
IRR of Priority Debt	Priority debt will be paid to Potential Investor accumulated yield of [*] % P.A. on priority debt.
Maturity	Same shall be repayable in bullet instalment, along with accumulated yield, at the end of 6th year from the date of disbursement.
Foldback	The Target Company will have to arrange buyback of the equity of the potential investor at a premium of [*]% P.A , payable from the realization of awards & claims. The Potential Investor has to agree that remaining awards and claims post potential investors returns and lender payouts will fold back to HCC
Security Cover	<p>Nil.</p> <p>However, the priority debt would have priority in cashflows over lender payments.</p>

Personal Guarantees	There would be no Personal Guarantees on the priority debt
Corporate Guarantees	There would be no Corporate Guarantees on the priority debt
Dividends	No dividend to be paid without lenders approval till the time entire dues of the lenders are paid
Early Payment	The Carved-out Entity will have right to prepay the lenders debt at any time without payment of any prepayment penalty. Such prepaid amounts to be appropriated towards the installments maturing first.
Management Control and Appointment of Key Managerial Personnel	Representation and management control of the PIs in the Board of the SPV and in the executive management. The new investor would have majority control of the Board and would appoint the KMPs of the SPV. The Investor shall be in 'control' of the SPV as per the definition of 'control' in the Companies Act, 2013 / regulations issued by the Securities and Exchange Board of India/any other applicable regulations / accounting standards as the case may be. Lenders would retain the right to appoint a nominee director in the SPV.
Affidavit regarding 29A compliance, proof and source of funds	The investor to provide a notarized affidavit on compliance with sec 29A confirming that it is not an ineligible/disqualified entity as per the provisions under Section 29A, including source and availability of funds for the acquisition. The actual funds infusion towards the equity & priority debt should be as per the source already indicated by the PI or from such other sources, to the satisfaction of the lenders. The proof of funds have to be provided to the satisfaction of the lenders who may employ an agency to verify the source of funds
Claims Expenses (Expenses for Awards & Claims)	Expenses to be capped at 1% p.a. of the AUM (plus reasonable YOY escalation as agreed by lenders and applicable taxes. If the expenses exceed this amount, approval of lenders to be obtained. If the expenses are less than projections in any year, the unused amount shall be rolled over to subsequent years without requiring additional approvals. Expenses to be financed by realizations from awards & claims / equity/ agreed priority debt. No award/ claim recovery expense/fee shall be payable, HCC, to the equity investor or to the priority debt investor without (a) approval of the lenders and (b) till the lenders debt along with IRR has been paid in full
Waterfall	The waterfall of all cash flows in the Claims Company will be as follows: <ul style="list-style-type: none"> • Expenses incurred by the claims company (plus reasonable YOY escalation as agreed by lenders, unless otherwise approved by lenders) • Coupon @0.01% p.a. on carved out debt • Built-up of the desired cash reserve for next year, if required • Payment of Priority Debt Principal and accrued IRR • Payment of Lender's debt along with accrued IRR

	<ul style="list-style-type: none"> • Payment of agreed IRR on equity from the upside as per shareholding ratio (51:49) <p>Once the priority debt of the investor, lenders debt and investor equity are repaid along with their respective IRR, balance cash available in the Claims Co. to be distributed between the lenders of the Claims Company and HCC in the ratio of 51:49 (51% to the lenders), as at this stage the investor would have been paid full equity along capped with IRR on the same.</p> <p>The balance Awards and Claims, if any, in the Claims Co. to foldback into HCC and entire realisation from such Awards & Claims to be distributed to the HCC lenders and HCC in the ratio of 51:49 (51% to the lenders).</p> <p>The distribution amongst the lenders to be in the ratio of amounts transferred by each lender into the Claims Co. The 49% share of HCC to be solely utilised for payment to HCC lenders, if any fund based debt amount is outstanding.</p>
Conditions Precedent	<ul style="list-style-type: none"> • Approval of lenders & shareholders of HCC for the proposed transaction • Assignment of beneficial interest in awards & claims to the SPV • Approval of lenders for the MOA and AOA of the SPV • Approval of lenders on the shareholders' agreement between investors and HCC • Approval of the list of awards and claims proposed to be transferred to the SPV • Execution of all relevant and related documents to enable the proposed transaction (Transaction Documents) • Any other documents related to the transaction to the satisfaction of the lenders
Connected persons declaration	The Investor to provide a notarized affidavit confirming that they are not connected with HCC, HCC group, its promoters or directors and the funds to be infused would be from Investors own sources
Vehicle for acquisition	The investor to inform the lenders their detailed plan (including vehicle for acquisition). The investor would cooperate with lenders/lender appointed agency for a detailed due diligence of the vehicle for acquisition.
Cash sweep	<ul style="list-style-type: none"> • Any excess cash balance, after meeting the operating expenses and after maintaining the desired reserve, to be mandatorily utilized towards: <ul style="list-style-type: none"> a. Towards Priority debt payment along with IRR b. Towards payment to SPV lenders debt, along with IRR • Cash sweep to be on quarterly basis, within 15 days from the end on the month (subject to a reserve), initially towards priority debt & then towards lenders debt.

Settlement/ conciliation of awards / claims:	<ul style="list-style-type: none"> • SPV to procure award & claim analysis cum valuation report from an agency decided by the Core-Committee, every 3 years • Core-Committee approval for any settlement/ conciliation (a) if the same is less than 90% of the market value for awards & 75% of market value for claims and (b) if the aggregate security cover (basis market value) is below 1.75x. • Any sale/assignment of awards and/or claims (part or full) to other financial investors etc. and utilization of such proceeds to be approved by the consortium.
Responsibility of HCC	HCC shall continue to be responsible for collection of claims and shall extent all reasonable cooperation to the SPV for realization of the specified awards and claims including but not limited to providing support from their legal, engineering and other departments. HCC shall act as a trustee for funds realized from clients for the awards & claims transferred to the SPV and shall remit the same immediately to the SPV upon collection. Lenders would not be held responsible or liable in case of breach of trust between the promoters of SPV/Investors and HCC.
Confidentiality	During negotiations and upon acceptance of this Term Sheet, neither party shall disclose the terms of this Term Sheet to other persons, including the participation of the parties hereto (other than in connection with consummation of the transaction) nor engage in any discussions or execute any agreements or issue any securities with or to any other party, other than Investors, until after the signing of the transaction documents, provided that either party may disclose the terms of this Term Sheet to its professional advisors or if required by law, rules, regulation, court order, subpoena or other similar legal process or regulatory request or for purposes of legal proceedings.
Non-Recourse and Release	The Parties agree that in the event of any partial or full non-payment for any reason whatsoever or default in connection with the bank debt transferred to the SPV (transferred by HCC), lenders shall have recourse against: (i) current or past directors, key officers or advisors of the SPV or any of their affiliates; and (ii) equity shareholders of the SPV, any direct or indirect beneficial owners or any of their affiliates (Released Persons), in connection with such Transferred Debt. The Parties shall mutually agree to enter into definitive documentation in this respect.
Validity	To mutually decide
Governing Law	The agreement will be governed by and construed in accordance with Indian law. The place of exclusive jurisdiction would be Mumbai.

<p>Representations & warranties from the Investor</p>	<p>Customary for transactions of this nature including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Completeness and accuracy of financial statements and all other information furnished; • Full disclosure and no misleading information; <p>Corporate organization, existence, power and authorization of the Investor;</p> <ul style="list-style-type: none"> • Execution, delivery and performance of Transaction Documents not violating law, Investor’s charter or bylaws or existing agreements and does not result in the imposition of liens; • Confirmation that no government or regulatory approvals, or other third-party consents are required other than those already obtained and except for those already communicated to the lenders of HCC; • Neither the Investor nor any of its directors has been declared to be a willful defaulter or is disqualified under section 29A of IBC. In the event of a person having being identified as a willful defaulter or is disqualified under section 29A of IBC, the Investor shall take expeditious and effective steps for removal of such person from directorship; • Legality, validity, binding effect and enforceability of the Transaction Documents; • No defaults under other agreements by any of the parties related to the transaction; • No potential or actual events of default in subsistence by any of the parties related to the transaction; • No violation of law or agreements by any of the parties related to the transaction; • Compliance with laws and regulations and there is no conflict with any other obligations; • No litigation, investigation or proceeding that may have a material adverse effect on the business, condition (financial or otherwise), operations, performance, prospects of the Investor that purports to affect the legality, validity, binding effect or enforceability of the Transaction Documents; • Compliance with taxation laws in all material respects • Solvency of all the parties related to the transaction; • Compliance with environmental laws; • All the Investor’s contracts or agreements (except to the extent disclosed to Lenders) with, or any commitments to, any affiliates or group companies are on arm’s length basis
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Annexure F

The evaluation of the investor bids were done basis the below scoring matrix, as approved by consortium

#	Bid evaluation criteria	Score Matrix	Max. Score												
1	Equity amount infusion by Investor into the Claims Co. for 51% stake	<table border="1"> <thead> <tr> <th>Equity Infusion</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>INR 25 cr.</td> <td>15</td> </tr> <tr> <td>INR 25 cr. to INR 50 cr.</td> <td>20</td> </tr> <tr> <td>Above 50 cr.</td> <td>25</td> </tr> </tbody> </table>	Equity Infusion	Marks	INR 25 cr.	15	INR 25 cr. to INR 50 cr.	20	Above 50 cr.	25	25				
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2	Investor giving bid for both equity and priority debt	<table border="1"> <thead> <tr> <th>Debt Infusion</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>If the PI is bidding for infusion of equity as well as for Priority Debt</td> <td>10</td> </tr> <tr> <td>In the PI is bidding for either of the equity or Priority deb</td> <td>00</td> </tr> </tbody> </table>	Debt Infusion	Marks	If the PI is bidding for infusion of equity as well as for Priority Debt	10	In the PI is bidding for either of the equity or Priority deb	00	10						
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3	Return payable on Priority Debt (IRR)	<table border="1"> <thead> <tr> <th>IRR on priority debt (% p.a.)</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Above 25% (Negative marks)</td> <td>-ve 10</td> </tr> <tr> <td>22-25%</td> <td>00</td> </tr> <tr> <td>22%</td> <td>05</td> </tr> <tr> <td>20%-22%</td> <td>10</td> </tr> <tr> <td>Below 20%</td> <td>15</td> </tr> </tbody> </table>	IRR on priority debt (% p.a.)	Marks	Above 25% (Negative marks)	-ve 10	22-25%	00	22%	05	20%-22%	10	Below 20%	15	15
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4	Returns on the Lender debt being transferred to debt along with Awards & Claims	<table border="1"> <thead> <tr> <th>IRR to Lenders (% p.a.)</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>12%</td> <td>10</td> </tr> <tr> <td>Above 12%</td> <td>15</td> </tr> </tbody> </table>	IRR to Lenders (% p.a.)	Marks	12%	10	Above 12%	15	15						
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5	Equity upside sharing with Lenders would be 100%, with a maximum cap on the return on equity	<table border="1"> <thead> <tr> <th>Cap on Investors equity (out of share accruing to investor)</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>32%.5%</td> <td>05</td> </tr> <tr> <td>25%-32%</td> <td>10</td> </tr> <tr> <td>Below 25%</td> <td>15</td> </tr> </tbody> </table>	Cap on Investors equity (out of share accruing to investor)	Marks	32%.5%	05	25%-32%	10	Below 25%	15	15				
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6	Assumptions made by prospective investor	<p>Lenders will assign score for the plan depending on reasonableness of conditions being stipulated/ assumptions made by investor</p> <p>In case, investor stipulates any condition or makes any assumption that are unreasonable, the score will be zero and in case investor does stipulate any condition /make any assumption that is reasonable the score will be 10. It is clarified that lenders may reject the plan in case any additional condition/assumptions that is not acceptable to the Lenders/Borrower</p>	10												
7	Background of the investor	Lenders will assign score for the plan depending on strength and background of the investor	10												

#	Bid evaluation criteria	Score Matrix	Max. Score
		In case the investor is from a large well known group with good track record with the Banking system, they will get a score of 10 and in case the investor is an unknown entity to the banking system, the score will be zero	
	Grand Total		100

- The lenders shall have a right to forfeit the amount of INR 25 lakhs (furnished by the investor at the time of submitting its EOI), in case (a) the information submitted by the PI along with the bid documents are found to be false, (b) the Bid Bond Guarantee is not furnished by the said successful investor within this stipulated timelines and (c) the bidder decides to withdraw its bid, after submitting the same.
- The Investors shall furnish a Bid Bond Guarantee / Demand Draft from any nationalized bank/ RTGS/ Cash deposit (Performance Security) of an amount equivalent to 5% of Resolution Amount (equity plus debt investment proposed for the first year) within 7 days from announcement of winning bidder. The lenders also have the right to invoke the Bid Bond Guarantee towards Performance Security and forfeit the resultant amount/ forfeit the amounts furnished by the PI towards the Performance Security, if the winning bidder fails to comply with conditions as mentioned in this EOI document or fails to comply with any additional/ modified condition, as may be mutually agreed upon by the lenders & the PI and can decide on utilization of the said forfeited amount.