

PROCESS MEMORANDUM
Invitation for submission of resolution plans for
Tecpro Systems Limited

Issued by:

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20th April, 2018

DISCLAIMER

This Process Memorandum (defined hereinafter) is issued by the Resolution Professional (defined hereinafter) of Tecpro Systems Limited (“TSL” or “Company”) to provide general information only, without regard to any specific objectives, suitability, financial situations and needs of any particular Person (defined below) and does not constitute any recommendation of an offer to buy, purchase or subscribe to any securities or any of the business or assets mentioned therein. This Process Memorandum is personal and specific to each Applicant and does not constitute an offer or invitation or solicitation of an offer to the public or to any other Person within or outside India. It is hereby clarified that if any Resolution Plan (defined hereinafter) (or the terms thereof) which is received by the Resolution Professional is not pursuant to this Process Memorandum and/or such Resolution Plan is not in accordance with the terms and conditions set out in this Process Memorandum, then such Resolution Plan shall not be considered eligible for evaluation by the Committee of Creditors (defined hereinafter). Neither this Process Memorandum nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This Process Memorandum does not solicit any action based on the material contained herein. Nothing in these materials is intended by the Resolution Professional and the Committee of Creditors or their representatives and advisors to be construed as legal, accounting or tax advice.

This Process Memorandum is neither an agreement nor an offer by the Resolution Professional or the members of Committee of Creditors to the Applicant or any other Person. The purpose of this Process Memorandum is to provide Applicants with information that may be useful to it in submitting their Resolution Plans pursuant to this Process Memorandum. This Process Memorandum may not be appropriate for all Applicant, and it is not possible for the Resolution Professional, its employees or advisors to consider the objectives, financial situation and particular needs of each Applicant who reads or uses this Process Memorandum.

Past performance is not a guide for future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from the forward-looking statements due to various factors. No statement, fact, information (whether current or historical) or opinion contained herein should be construed as a representation or warranty, express or implied, of Resolution Professional, advisors or the members of Committee of Creditors; and none of the Resolution Professional, the members of the Committee of Creditors or any other Persons/entities shall be held liable for the authenticity, correctness or completeness of any such statements, facts or opinions and any such liability is expressly disclaimed. This Process Memorandum has not been approved and will or may not be reviewed or approved by any statutory or regulatory authority in India or by any stock exchange in India. This Process Memorandum may not be all-inclusive and may not contain all of the information that the recipient may consider material. Each Applicant should, conduct its own investigations, diligence, and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this Process Memorandum and obtain independent advice from appropriate sources.

This Process Memorandum and information contained herein or disclosed pursuant to the terms of this Process Memorandum or any part of such information do not constitute or purport to constitute any advice or information in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without prior written approval from the Resolution Professional. Distributing or taking/sending/dispatching/transmitting this Process Memorandum in certain foreign jurisdictions may be restricted by law, and Persons into whose possession this Process Memorandum comes should inform themselves about, and observe, any such restrictions. It is the responsibility of Applicants to satisfy themselves as to full compliance with the relevant law and regulations of any territory in connection with any Resolution Plan (as applicable) for TSL, including obtaining any required governmental or other consent and adhering to any other formality prescribed in such territory. Neither the Resolution Professional, advisors of

the Resolution Professional, the member of the Committee of Creditors nor their professional advisors, affiliates, directors, employees, agents, representatives or managers of the process shall be liable for any damages, whether direct or indirect, incidental, special or consequential including loss of revenue or profits that may arise from or in connection with the use of this Process Memorandum or due to participating in the Resolution Plan Process (defined hereinafter), including for the Applicant not being selected as a Successful Applicant or on account of any decision taken by the Resolution Professional or the members of Committee of Creditors in connection with or pursuant to the Evaluation Matrix (defined hereinafter).

*This Process Memorandum contains confidential, proprietary and/or legally privileged information and by its acceptance hereof, and in accordance with the confidentiality agreement signed by the Applicants (the “**Confidentiality Agreement**”), the Applicant agrees that the information contained herein or otherwise provided to the Applicant regarding the Company is not to be used for any purpose other than in connection with this transaction, that the information contained herein or otherwise provided to the Applicant regarding the Company is of a confidential nature and that the Applicants will treat it in a confidential manner, and that the Applicant will not, directly or indirectly, disclose to or permit its subsidiaries, affiliates, employees or representatives to disclose any information contained herein or otherwise provided to the Applicant regarding the Company to any other Person or reproduce this Process Memorandum in whole or in part.*

By accepting a copy of this Process Memorandum, the recipient accepts the terms of this disclaimer notice, which forms an integral part of this Process Memorandum and all other terms and conditions of this Process Memorandum. Further, no Person, including the Applicant 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 Process Memorandum or otherwise, including the accuracy, adequacy, authenticity, correctness, completeness or reliability of the information or opinions contained in this Process Memorandum and any assessment, assumption, statement or information contained therein or deemed to form part of this Process Memorandum, and Resolution Professional, Company, members of Committee of Creditors and their advisors, affiliates, directors, employees, agents, representatives or manager do not have any responsibility or liability for any such information or opinions and therefore, any liability or responsibility is expressly disclaimed.

The Resolution Professional may, with the approval of the Committee of Creditors, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this Process Memorandum.

In providing this Process Memorandum, the Resolution Professional or its advisors or representatives do not undertake any obligation to provide the Applicant with access to any additional information or to update, expand, revise, clarify or amend the information.

In no circumstances may the Applicant or its officers, employees, agents and professional advisers make contact with the management, employees, customers, agents or suppliers of the Company until the Resolution Professional so gives permission to do in writing.

The issue of this Process Memorandum does not imply that Resolution Professional or the members of Committee of Creditors are bound to select any Applicant as a Successful Applicant for submission of Resolution Plan or to select the Successful Applicant and the members of Committee of Creditors reserve the right not to invite any Applicant to submit a Resolution Plan or consider the Resolution Plan submitted by any Applicant or reject at any stage all or any of the Resolution Plans without assigning any reason whatsoever.

Each Applicant shall bear all its costs associated with or relating to the preparation and submission of its Resolution Plan including but not limited to preparation, copying, postage, delivery fees,

expenses associated with any demonstrations or presentations which may be required by Resolution Professional or any other costs incurred in connection with or relating to its Resolution Plan.

This Process Memorandum is neither transferable nor assignable.

TABLE OF CONTENTS

| | |
|---|-----------|
| PART I – INTRODUCTION..... | 1 |
| 1. INTRODUCTION..... | 1 |
| 2. DEFINITION | 2 |
| PART II – RESOLUTION PLAN PROCESS..... | 4 |
| 3. AMENDMENT TO THE PROCESS MEMORANDUM | 4 |
| 4. SCHEDULE OF EVALUATION PROCESS..... | 4 |
| APPENDIX-1 FORMAT OF RESOLUTION PLAN AND ITS CONTENTS..... | 6 |
| APPENDIX – 2 ILLUSTRATIVE RESOLUTION PLAN EVALUATION MATRIX (NOT EXHAUSTIVE)..... | 8 |
| APPENDIX – 3 FORMAT OF COVERING LETTER FOR SUBMISSION OF RESOLUTION PLANS..... | 10 |
| APPENDIX – 4 FORMAT OF POWER OF ATTORNEY | 13 |
| APPENDIX – 5 COMPOSITION AND OWNERSHIP STRUCTURE OF THE APPLICANT | 16 |
| APPENDIX – 6 FINANCIAL PROPOSAL | 19 |
| APPENDIX – 7 FORMAT OF CERTIFICATE - CORPORATE STRUCTURE OF THE APPLICANT, GROUP COMPANIES, AFFILIATES, PARENT COMPANY, AND THE ULTIMATE PARENT..... | 23 |

PART I – INTRODUCTION

1. Introduction

- 1.1 Project Fusion 2 is the name being used for Tecpro Systems Limited (TSL), an EPC company. TSL, incorporated on November 7, 1990, started as a material handling company in 2001 and has become a prominent player in Engineering, Procurement and Construction (EPC) of material handling and ash handling systems. The Company is into designing, engineering, manufacturing, erection and commissioning of material handling and ash handling systems on turnkey basis for the core infrastructure related sectors like power, steel, cement and other industries. The Company also engages in EPC and BOP contracts for the power sector. By an order dated August 7, 2017, the Hon'ble Principal Bench (New Delhi) of National Company Law Tribunal (“**NCLT**”) commenced corporate insolvency resolution process (“**CIRP**”) in respect of the Company as per the provisions of the IBC (*defined below*) and appointed Mr. Venkatesan Sankaranarayanan as the Interim Resolution professional and the powers of the board of directors of the Company stand suspended as per the provisions of the IBC. The Interim Resolution Professional was subsequently appointed as the resolution professional in respect of the Company (“**Resolution Professional**”) by the Committee of Creditors in the first Committee of Creditors meeting. Accordingly, the management of the affairs of the Company stands vested in the Resolution Professional.
- 1.2 Under the provisions of the IBC, it is *inter alia* the duty of the Resolution Professional to invite prospective resolution applicants to submit resolution plan for the corporate debtor. Accordingly, the Resolution Professional invited expressions of interest (“**EOI**”) from Persons interested in submitting resolution plan for the Company vide advertisement in digital newspaper dated November 28, 2017. Pursuant to the amendment to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**CIRP Regulations**”) *vide* notification no. IBBI/2017-18/GN/REG024 dated February 06, 2018, the Resolution Professional, in consultation with the Committee of Creditors, has decided to allow the eligible Applicants for participation in the Resolution Plan Process. In terms of the CIRP Regulations as amended, the Resolution Professional has issued an invitation for submission of Resolution Plans (Form G) to this effect on the Company's website.
- 1.3 The objective of this Process Memorandum is to invite Applicants who have evinced interest as per the EOI and submitted non-binding investment offer or who will evince interest to submit a Resolution Plan in response to the Form G, in accordance with the terms of this Process Memorandum, the IBC and other Applicable Laws (*defined below*).
- 1.4 Upon submission of the Resolution Plans by the relevant Applicants, the Resolution Professional shall examine each Resolution Plan, in accordance with Section 30(2) read with Section 29A of the IBC, Regulation 38 of the CIRP Regulations and any other provisions of the IBC, as may be applicable, and present the Resolution Plan of the Qualified Applicants before the Committee of Creditors in accordance with sub-section (3) of section 30 of the IBC, for their consideration.
- 1.5 The Committee of Creditors shall have the right to negotiate with any Qualified Applicant. However, the Committee of Creditors at their sole discretion may exercise the right to restrict negotiations with the Qualified Applicant whose Resolution Plan contains the highest bid (hereinafter, “**H1 Bidder**”) only, on the basis of the Evaluation Matrix. Failing such negotiation with the H1 Bidder, the Committee of Creditors may negotiate with other Qualified Applicant(s) that provide the next highest bid after the H1 Bidder, basis the Evaluation Matrix. The Committee of Creditors may adopt such other recourse as it deem appropriate. The Committee of Creditors may vote on any of the Resolution Plans presented

to it and the Qualified Applicant whose Resolution Plan is approved by the Committee of Creditors will be identified as the “**Successful Applicant**”.

- 1.6 Nothing contained in this Process Memorandum, shall affect the right of the Committee of Creditors to reject all the Resolution Plans submitted by the Applicant and thereafter call for submission of new resolution plans by other prospective resolution applicants.
- 1.7 Upon approval of the Resolution Plan of the Successful Applicant by the Committee of Creditors, in accordance with the terms of this Process Memorandum, the IBC and the CIRP Regulations, the Resolution Plan of the Successful Applicant shall be submitted to the Adjudicating Authority for its approval as required pursuant to sub-section (6) of section 30 of the IBC and regulation 39 of the CIRP Regulations. Upon approval of the Resolution Plan of the Successful Applicant by the Adjudicating Authority, as per section 31 of the IBC, the Resolution Plan of the Successful Applicant will be binding on the Company, its employees, member, creditors, guarantors and all the other stakeholders involved in the Resolution Plan of the Successful Applicant.

2. Definition

- 2.1 In this Process Memorandum:

“**Adjudicating Authority**” shall mean the Hon’ble Principal Bench (New Delhi) of the National Company Law Tribunal;

“**Affiliate**” with respect to any Person shall mean any other Person which, directly or indirectly:

- (a) Controls such Person; or
- (b) is Controlled by such Person; or

is Controlled by the same Person who, directly or indirectly Controls such Person;

“**Applicable Laws**” means, all applicable laws, 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 IBC, CIRP Regulations, Companies Act, 1956/2013 (as applicable), Competition Act, 2002 , Foreign Exchange Management Act, 1999, SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, whether in effect as of the date of this Process Memorandum or thereafter and each as amended from time to time;

“**Applicant**” or “**Applicants**” mean, Person or Persons who submitted expression of interest pursuant to the invitation of the Resolution Professional by advertisement appearing in the newspapers, on November 16, 2017 or Person or Persons who have approached the Resolution Professional pursuant to publication of Form - G (as per IBC) and signed the Confidentiality Agreement; and shall include the Qualified Applicant or the Successful Applicant, as the case may be, and as the context requires;

“**Applicant Contribution**” means all amounts committed by the Applicant for infusion in the Company in the form of equity, quasi equity or debt for upfront payment as part of the Resolution Plan;

“**CIRP Period**” shall mean the period of 270 (two hundred and seventy) days from August 7, 2017 in accordance with the provisions of the IBC;

“**Committee of Creditors**” or the “**CoC**” means the committee of creditors of the Company constituted under Section 21 of the IBC;

“**Confidentiality Agreement**” means the agreement executed by the Applicant with the Resolution Professional to preserve the confidentiality of the information of the Company;

“**Confidential Information**” shall mean the information pertaining to the Company that has been identified as confidential in the Confidentiality Agreement;

“**Control**” shall mean a Person holding more than 26% (twenty six percent) of the voting share capital in a company or the ability to appoint majority of the directors on the board of another company or the ability of a company to direct or cause direction of the management and policies of another company, whether by operation of law or by contract or otherwise;

“**Group Company(s)**” of any company shall mean and include (i) a company which, directly or indirectly, holds 26% (twenty six percent) or more of the share capital of the said company or (ii) a company in which the said company, directly or indirectly, holds 26% (twenty six percent) or more of the share capital or (iii) a company in which the said company, directly or indirectly, has the power to direct or cause to be directed the management and policies of such company whether through the ownership of securities or agreement or any other arrangement or otherwise or (iv) a company which, directly or indirectly, has the power to direct or cause to be directed the management and policies of the said company whether through the ownership of securities or agreement or any other arrangement or otherwise or (v) a company which is under common Control with the said company;

“**Evaluation Matrix**” means the criteria determined by the Committee of Creditors of the Company at its sole and absolute discretion, based on the guidelines issued by the Indian Bank’s Association or otherwise, including that mentioned in Appendix 4, to evaluate the Resolution Process of the Applicant and selection of the Successful Applicant, and which may be amended, modified or altered by the Committee of Creditors at any stage prior to the sanction of Resolution Plan of Successful Applicant;

“**IBC**” shall mean Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued thereunder, as amended from time to time;

“**Insolvency Resolution Process Cost**” shall have the meaning assigned to the term under the provisions of the IBC read together with the CIRP Regulations;

“**Letter of Intent**” shall mean the letter issued by the Resolution Professional or the Committee of Creditors to the Successful Applicant based on the approval by the Committee of Creditors of the indicative terms and conditions of the Resolution Plan of the Successful Applicant;

“**Parent Company**” shall mean a company which Controls the Applicant, either directly or indirectly;

“**Person**” shall mean an individual, a partnership firm, an association, a corporation, a limited company, a trust, a body corporate, bank or financial institution or any other body, whether incorporated or not;

“**Process Memorandum**” means this document including all the appendices hereto, for the purposes of setting out the process for submission of Resolution Plan and selection of Successful Applicant and shall include all supplements, modifications, amendments, alterations or clarifications thereto issued in accordance with the terms hereof;

“**Qualified Applicant(s)**” shall mean an Applicant whose Resolution Plan is presented by the Resolution Professional to the Committee of Creditors under sub-section (3) of section 30 of the IBC;

“**Resolution Plan**” means the resolution plans submitted by the Applicants as required in terms of this Process Memorandum and in accordance with the provisions of IBC read together with the CIRP Regulations and the Applicable Laws;

“**Resolution Plan Due Date**” shall have meaning assigned to the term in Clause 4;

“**Resolution Plan Process**” means the process set out in this Process Memorandum for submission, evaluation and selection of Resolution Plan and activities in relation thereto;

“**Successful Applicant**” means the Qualified Applicant whose Resolution Plan is approved by the Committee of Creditors under sub section (4) of Section 30 of the IBC and to whom a Letter of Intent is issued by the Resolution Professional, on instructions of the CoC, in accordance with the terms of this Process Memorandum, for the purposes of the Resolution Plan Process;

“**Ultimate Parent**” shall mean a Person which Controls, either directly or indirectly the Parent Company, Group Company, or Affiliates of the Applicant; and

PART II – RESOLUTION PLAN PROCESS

3. Amendment to the Process Memorandum

At any time before the approval of the Resolution Plan by the Committee of Creditors under sub section (4) of section 30 of the IBC, the Resolution Professional may, for any reason whatsoever, on instructions of the Committee of Creditors, or if required by the IBC or CIRP Regulations or Applicable Laws, without assigning any reason, amend, modify or supplement this Process Memorandum by an amendment. The amendment shall be notified by email to the Applicant and such amendment shall form part of this Process Memorandum and be binding on the Applicants. Any amendment to the IBC, the CIRP Regulations and/or any other relevant regulations, in relation with insolvency resolution of a corporate debtor that may be notified by Insolvency and Bankruptcy Board of India shall be deemed to be a part of this Process Memorandum.

4. Schedule of Evaluation Process

| S. No. | Event Description | Date |
|---------------|---|------------------|
| 1 | Issuance of this Process Memorandum to the Applicants who have submitted Confidentiality Agreement and declaration under Section 29A of IBC | Feb 19, 2018 |
| 2 | Evaluation of determining eligibility of resolution applicants as per section 29A | Apr 23, 2018 |
| 3 | Due date for receiving resolution plan | Apr 24, 2018, on |

| S. No. | Event Description | Date |
|--------|--|--|
| | | or before 2:00 pm |
| 4 | Summary of all Resolution Plan received to be sent by Resolution Professional to Committee of Creditors | April 24, 2018 |
| 5 | Committee of Creditors meeting – Presentation of plans by Resolution Applicants, negotiations etc. | April 25, 2018 – 4:00 pm to 7:00pm |
| 6 | Submission of bids based on negotiations | April 26, 2018, on or before 2:00 pm |
| 7 | Presentation of the Resolution Plan (negotiated) of Applicants, who meet the requirements of the Code and Regulations, to the Committee of Creditors for its consideration | Apr 27, 2018 – 10:00 am to 1:00 pm |
| 8 | Voting by Committee of Creditors on the Resolution Plan submitted by Successful Applicant | Apr 27, 2018 |
| 9 | Submission of Resolution Plan duly approved by the CoC to the NCLT by Resolution Professional | May 2, 2018 |

The schedule of the Resolution Plan Process may be changed or modified at the discretion of the Resolution Professional/Committee of Creditors.

APPENDIX-1

FORMAT OF RESOLUTION PLAN AND ITS CONTENTS

1. Covering letter for submission of Resolution Plan in the form annexed as Appendix 5.
2. Resolution Plan
 - (a) Overview of the Applicant [*Applicant to provide the brief overview about itself including, composition and ownership structure of the Applicant and its consortium members*], including composition and ownership structure of Applicant in the form annexed as **Appendix 5** and certificate - corporate structure of the Applicant, Group Companies, Affiliates, Parent company, and the Ultimate parent in form annexed as **Appendix 7**.
 - (b) Creditworthiness and financial capability of the Applicant [*Applicant may provide the credit rating from credit rating agencies and other documents evidencing the creditworthiness of the Applicant or other obligors under the Resolution Plan to infuse funds in the Company.*]
 - (c) Previous Experience [Applicant to provide the details in relation to its experience in handling / operating project of the similar nature and size.]
 - (d) Credentials as required by regulation 38 of the CIRP Regulations.
 - (e) Financial Proposal including payments as per regulation 38 of CIRP Regulations in the form annexed as Appendix 6.
 - (f) Term of the Resolution Plan and its implementation schedule;
 - (g) Stipulate mechanism regarding management and control of the affairs of the Company;
 - (h) Manner of supervision and implementation of the Resolution Plan;
 - (i) Declaration to the effect that the Resolution Plan is not in contravention of provisions of the Applicable Law;
 - (j) A statement as to how Applicant has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.
 - (k) Other information as required by the IBC, CIRP Regulations or any other Applicable Laws.
3. Sources and identification of funds to make payments
4. Other details

The Resolution Plan shall provide for details on:

- (a) Any infusion and/or arrangement of funds as may be required for making payments as per the IBC and CIRP Regulations, working capital and expenditure requirements of the Company shall be in compliance of the following:

- (b) In the event of infusion of debt, such debt shall be arranged without any obligation on members of Committee of Creditors to provide such funds or for them to cede charge over the assets already charged to them.
 - (c) Any infusion of fresh equity for (i) improving operations, (ii) debt repayment, (iii) Capital expenditure (iv) any other purpose; shall be clearly specified along with the timelines for such infusion and (v) debt-Asset swap along with the value of the assets applied for the swap.
 - (d) Any infusion of funds into the Company as part of the Resolution Plan shall be satisfactorily demonstrated including by way of firm financing proposals.
 - (e) Financial ability of the Applicant including last 3 years annual report of relevant entities or the entities in which investments have been in particular in infrastructure, real estate or related sectors.
 - (f) Financial assumptions, projections & business plan for the Company
 - (g) Percentage shareholding in Company offered to lenders by way of debt to equity conversion
 - (h) Prior Experience in managing/turning around of Companies, including managerial competence, technical abilities, key management personal experience
 - (i) Indemnity for the Resolution Professional and his team for all acts done in good faith. The indemnity will survive the CIRP period.
5. Power of attorney and board resolutions to submit Resolution Plan in the form attached as Appendix 4 (as applicable)

Note: This list is only indicative and not exhaustive. The Applicants may furnish such other information as they may deem necessary for the purpose of preparing the Resolution Plan but shall not exclude the information required to be mandatorily incorporated in the Resolution Plan as per the IBC, CIRP Regulations and the Applicable Laws.

APPENDIX – 2

ILLUSTRATIVE RESOLUTION PLAN EVALUATION MATRIX (NOT EXHAUSTIVE)

| | Parameter | Score Matrix | Weightage | Max Score |
|---|--|--|------------------|------------------|
| 1 | Upfront cash payment as part of resolution plan Resolution Plan involving upfront cash payment shall specify the sources of funds, with evidence to the satisfaction of RP/CoC-To be paid within 30 days from NCLT approval. Additional Two bonus points (without weightage) shall be awarded for every 0.25% increase in Upfront Cash over and above 5% of resolution Debt. | >= 5% of the resolution debt amount 10 >= 4.5% <5% of the Resolution Debt Amount 8 >= 4% <4.5% of the Resolution Debt Amount 6 >= 3.5% <4% of the Resolution Debt Amount 5 >= 3% <3.5% of the Resolution Debt Amount 4 >= 2.5% <3% of the Resolution Debt Amount 3 >= 2% <2.5% of the Resolution Debt Amount 2 < 2% of Resolution debt amount 1 | 200% | 20 |
| 2 | Cash on deferred payment basis NPV to be arrived at tiered discount rate corresponding to the various tenors (Maximum tenor of 10 years) Period Rate of discount 1m- 1 year 5% >1- 3 years 9% >3- 5 years 12% > 5 years 15% One Additional bonus point(without weightage) shall be awarded for every 0.1% increase in NPV >7 %. | >= 7% of the Resolution Debt Amount 10 >= 6% <7% of the Resolution Debt Amount 8 >= 5% <6% of the Resolution Debt Amount 6 >= 4% <5% of the Resolution Debt Amount 4 >= 3 % < 4% of the Resolution Debt Amount 2 < 3% of Resolution debt amount 0 | 350% | 35 |
| 3 | Equity in the company, post money to financial creditors (As a percentage of the total paid up equity of the company) | Expected allotment of equity (post money) as under: >=40% of equity stake in the company 10 >=30% <40% of equity stake in the company 8 >=20% <30% of equity stake in the company 6 >= 10% <20% of equity stake in the company 4 < 10% of equity stake in the company 2 | 100% | 10 |
| 4 | Fresh Equity Infusion for improving operations, only if the lenders are continuing. Period & Weightage < 6 months - 100% weightage, > = 6 < 12 months - 50% weightage > =12 months - 0% weightage | >= 20% of the Resolution Plan Payment 10 >=15% <20% of the Resolution Plan Payment 8 >= 10% <15% of the Resolution Plan Payment 6 >= 5% <10% of the Resolution Plan Payment 4 < 5% of the Resolution Plan Payment 2 | 100% | 10 |
| 5 | Reasonableness of Financial Projections i.e, Sales, EBITDA etc. for minimum three years | Range: 0-10 (Based on the information available with RBI/CIBIL/CRILC etc.) | 50% | 5 |

| | Parameter | Score Matrix | Weightage | Max Score |
|---|--|--|-----------|------------|
| | period. Certainty/Likelihood/Feasibility/Eventuality of honoring proposed commitments etc. | | | |
| 6 | Ability to turnaround distressed companies -Managerial competence and technical abilities, key managerial personnel, track record in implementing turnaround of stressed assets etc. | Range: 0-10 | 100% | 10 |
| 7 | Standing of Bidder/group in sector/external rating/adherence to financial discipline/Financial strength/record of regulatory compliance/whether NPA, including group companies <12 months etc. | Range: 0-10 (Based on the track record of the Bidder) If NPA, including group companies <12 months, will fetch a score of "0" | 100% | 10 |
| | Grand Total | | | 100 |

“Resolution Debt” for the evaluation purpose shall mean the total admitted claims in the Company as on Form G upload date (i.e. 31 Jan, 2018) which is INR 8,294.07 Cr (may undergo change based on admission/rejection of claims)

“Resolution Plan Payment” shall mean the sum total of all payments / funds infused proposed to be made by the resolution applicant

APPENDIX – 3

FORMAT OF COVERING LETTER FOR SUBMISSION OF RESOLUTION PLANS

(On the letter head of the Applicant)

Applicant's Name:

Full Address:

Telephone No.:

E-mail address:

Fax/No.:

To,
Venkatesan Sankaranarayanan
Resolution Professional
Unit No. 2, First floor, No. 25, First Main Road,
Gandhi Nagar, Adyar, Chennai – 600 020

Sub: - Resolution Plan of Tecpro Systems Limited.

Dear Sir,

1. We, the undersigned Applicant having read and examined in detail the Process Memorandum and the Information Memorandum, set out the offer and the related information of Tecpro Systems Limited.
2. We enclose herewith the Resolution Plan and the Financial Proposal with duly signed and/or certified forms/documents/authorizations as mandated by the Resolution Professional and the Committee of Creditors, in the Process Memorandum, for your consideration.
3. We have submitted all the requisite documents as per the prescribed formats set out in the Process Memorandum, without any deviations, conditions and without any assumptions or notes.
4. We further represent and confirm as follows:

(a) **Acceptance**

We hereby unconditionally and irrevocably agree and accept the terms of the Process Memorandum and that the decision made by the Resolution Professional (as per the instructions of the Committee of Creditors), Committee of Creditors and/or the Adjudicating Authority in respect of any matter with respect to, or arising out of, the Process Memorandum and the Resolution Plan Submission Process shall be binding on us. We hereby expressly waive any and all claims in respect of the Resolution Plan Process.

(b) **Litigation/Proceedings**

We confirm that there is no litigation/disputes/proceedings pending or threatened against us, which materially affects our ability to fulfill our obligations under the Process Memorandum.

(c) **Conflict of Interest**

We hereby confirm that there is no conflict of interest that subsists or will occur as a result of submission of a Resolution Plan under the Process Memorandum.

(d) **Familiarity with the Applicant Laws**

We confirm that we have studied the provisions of the IBC, the CIRP Regulations and other relevant laws and regulations to enable us to submit our Resolution Plan along with required documents and execute the other required documents in the event of our selection as the Successful Applicant. We have obtained the necessary corporate and regulatory approvals required to participate in the Resolution Plan.

We further confirm that our Resolution Plan is not in contravention of the provisions of the Applicable Laws.

(e) **Contact person**

The details of the contact person for the purposes of this Resolution Plan are provided below:

| | | |
|-----------------|---|-----|
| Name | : | [●] |
| Designation | : | [●] |
| Company Address | : | [●] |
| Phone Nos | : | [●] |
| Fax Nos. | : | [●] |
| E-mail address | : | [●] |

5. We are enclosing herewith the Resolution Plan containing duly signed forms/documents/authorizations, each one duly closed separately, with 1 (one) original copy as mandated in the Process Memorandum, for your consideration.

6. We confirm that the Resolution Plan submitted by us is consistent with all the requirements of submission as stated in the Process Memorandum, the IBC, the CIRP Regulations and the Resolution Professional or the Committee of Creditors.

7. The information submitted by us is complete, strictly as per the requirements stipulated in the Process Memorandum and is true and correct to the best of our knowledge and understanding. We acknowledge that we shall be solely responsible for any errors or omissions in our Resolution Plan.

8. We confirm that all the terms and conditions of our Resolution Plan are valid for acceptance till the successful implementation of the Resolution Plan from the Resolution Plan Due Date (including the revised Resolution Plan Due Date).

9. We confirm that we have not taken any deviations so as to be deemed non-responsive with respect to the provisions of the Process Memorandum.

10. **Confidentiality**

(a) We confirm that we and our representatives will keep all information set out in the Process Memorandum and/or furnished pursuant to the same as confidential.

(b) We confirm that we and our representatives shall not use any such information to cause an undue gain or undue loss to the Company or any other Person.

- (c) We and our representatives will comply with the requirements under section 29(2) of the IBC.
- (d) We and our representatives will protect the intellectual property rights of the Company in relation all such information.
- (e) We acknowledge that we are aware that applicable securities laws prohibit any Person having unpublished price sensitive information about a company from dealing with the securities of that company and we agree to abide by and cause our Representatives to abide by the terms of such securities laws, including without limitation, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (f) We and our representatives will not share any such information with any third party without first ensuring that our obligations under the Confidentiality Agreement entered into with the Company are complied with.
- (g) We and our representatives will comply with all the terms and conditions of the Process Memorandum and the Confidentiality Agreement.

11. Capitalized terms shall have the meaning given to them in the Process Memorandum.

Thanking you,

Yours faithfully,

(Signature and Name of the Attorney as per format – Power of Attorney)

Address of Authorised Signatory

(Not below the designation of a Director)

Company rubber stamp/seal

APPENDIX – 4

FORMAT OF POWER OF ATTORNEY

(TO BE ON NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE AS PER THE STAMP ACT RELEVANT TO THE PLACE OF EXECUTION. FOREIGN COMPANIES SUBMITTING RESOLUTION PLANS ARE REQUIRED TO FOLLOW THE APPLICABLE LAW IN THEIR COUNTRY.)

POWER OF ATTORNEY

Know all men by these presents, We, [*Insert name and address of the registered office of the Applicant*] (“**Applicant**”) do hereby constitute, appoint and authorize Mr./Ms. [*Insert name and residential address of the attorney*] who is presently holding the position of [●] as our true and lawful attorney (“**Attorney**”), to do in the name of the Applicant and on the behalf of the Applicant, all such acts, deeds and things necessary in connection with or incidental to the submission of the Resolution Plan or any other document as may be required under or pursuant to the request for Resolution Plan issued by the Resolution Professional dated Feb 19, 2018 (“**Process Memorandum**”), including the signing and submission of Resolution Plan and all other documents related to the Resolution Plan, including but not limited to undertakings, letters, certificates, acceptances, clarifications, guarantees or any other deeds or document that the Resolution Professional may require the Applicant to submit. The aforesaid Attorney is further authorised to provide representations, information or responses to the Resolution Professional, and represent the Applicant and generally deal with the Resolution Professional with respect to the Resolution Plan and the Resolution Plan Process, in accordance with the terms of the Process Memorandum.

We hereby ratify all acts, deeds and things done by the said Attorney pursuant to this power of attorney and that all acts, deeds and things done by the aforesaid Attorney shall be binding on the Applicant and shall always be deemed to have been done by the Applicant.

All the terms used herein but not defined shall have the meaning ascribed to such terms under the Process Memorandum.

Signed by the within named
[Insert the name of the Applicant]
Through the hand of

Mr.
(Name, designation and address of the executant)
Duly authorised by the Board to issue such Power of Attorney
Dated this day of

Accepted

.....
Signature of Attorney
(Name, designation and address of the Attorney)

Attested

.....
(Signature of the executant)
(Name, designation and address of the executant)

.....
Signature and stamp of Notary of the place of execution
Common seal of has been affixed in my/our presence pursuant to Board of
Director's Resolution dated.....

WITNESS

1)
(Signature)
Name
Designation.....

2)
(Signature)
Name
Designation.....

Notes:

1. The mode of execution of the power of attorney should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the Applicant and the same should be under common seal of the Applicant affixed in accordance with applicable procedure. Further, the person whose signatures are to be provided on the Power of Attorney shall be duly authorised by the Applicant in this regard.
2. The person authorised under this Power of Attorney, in the case of the Applicant being a public company, or a private company which is a subsidiary of a public company, in terms of the Companies Act, 2013, with a paid up share capital of more than INR 5,00,00,000 (Rupees Five Crores only), should be the managing director/whole time director/manager appointed under section 203 of the Companies Act, 2013. In all other cases, the person authorised should be a director duly authorised by a board resolution duly passed by the company.
3. In case of the Applicant being a foreign company, the same shall be signed by a person of equivalent position and the requisite legalization and consularisation process shall be duly completed.
4. In the event, the power of attorney has been executed outside India, the same shall be required to be duly notarized by a notary public of the jurisdiction where it is executed.
5. Also, wherever required, the Applicant should submit for verification the extract of the charter documents and documents such as a board resolution/power of attorney, in favour

of the person executing this power of attorney for delegation of power hereunder on behalf of the Applicant.

6. The Applicant shall submit a power of attorney or such other equivalent authorisation as may be deemed to be adequate in the jurisdiction of incorporation of the Applicant.

APPENDIX – 5

COMPOSITION AND OWNERSHIP STRUCTURE OF THE APPLICANT

(On the letter head of the Applicant duly stamped)

(a) **Corporate Details:**

Please provide the following information for the Applicant:

(i) Company's Name, Address, Nationality details:

| | |
|---|--|
| Name | |
| Registered Office | |
| Website Address | |
| Corporate Identification Number, if any: | |
| Country of Origin: | |
| 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) Please provide the following documents:

- (a) Copy of the memorandum and articles of association and certificate of incorporation or other equivalent organizational document (as applicable in the case of the jurisdiction of incorporation of the Applicant and all Connected Persons) including amendments, if any, certified by the company secretary, or equivalent or a director of the Applicant (as an annexure to this format)
- (b) Annual report or audited financials of the Applicant and its group companies for the preceding 3 (three) years whose revenue and net worth numbers have been submitted as part of the Expression of Interest. In case of a financial investor/fund, in addition to the above, statutory auditor's certificate for committed funds as of March 31, 2017 shall be provided.
- (c) Copy of permanent account number card of the Company (or equivalent identification for an overseas entity);
- (d) Credit opinion report from the principal bank of the Applicant and its Parent company;
- (e) External rating report if available, for the Applicant and the Parent Company;
- (f) Names and Details of the directors of the Applicant, all Connected Persons and the Parent Company as per format below:

| Name | Designation | Identification Nos. | | Full Address | Other directorships |
|------|-------------|---------------------|-----|--------------|---------------------|
| | | DIN | PAN | | |
| | | | | | |

The Applicant shall submit photocopy of the passport for each of the Directors;

- (g) Details of Ownership Structure of the Applicant and its relationship with all Connected Persons:

Details of persons owning 10% (ten percent) or more of the total paid up equity of the Applicant.

Name of the Applicant

Status of equity holding as on

| Name of Equity Holder | Type and Number of Shares owned | % of Equity Holding | Extent of Voting Control (%) |
|-----------------------|---------------------------------|---------------------|------------------------------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| | | | |

- (h) Details of transactions, if any, of the Applicant and/or any Connected Persons with the Company in the preceding two years;
- (iii) Please clarify if the Applicant and/or any Connected Person has been convicted of any offence in the preceding five years, and if so, please share all relevant details of the same;
- (iv) Please clarify if there are any criminal proceedings, investigations, enquiries etc. commenced or pending against the Applicant and/or any Connected Person, and if so, please share all relevant details of the same;
- (v) Please clarify if any of the promoters, shareholders, directors and/or key managerial personnel of the Applicant and/or any Connected Person have been disqualified to act as a director under the provisions of the Companies Act, 2013, and if so, please share all relevant details of the same;
- (vi) Please clarify if the Applicant and/or any Connected Person has been identified as a willful defaulter by any bank or financial institution, and if so, please share all relevant information and details in relation to the same; and
- (vii) Please clarify if the Applicant 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.

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

[Signature and Name of the Attorney as per format – Power of Attorney]

Rubber stamp/seal of the Applicant

Note:

Connected Person has the same meaning as ascribed in section 29A of the IBC.

Status of equity holding should be provided not earlier than 30 (thirty) days prior to Resolution Plan Due Date.

Details of the Parent Company, Ultimate Parent and/or the Group Companies, affiliates of the Applicant, and corporate guarantor (if any corporate guarantee constitutes part of the Resolution Plan), and their respective business activity shall be provided. The determination of the relationship of the Parent Company, Ultimate Parent and/or the Group Companies and affiliates of the Applicant shall not be 30 (thirty) days prior to the Resolution Plan Due Date. Documentary evidence in the form of a certificate from a practicing company secretary or statutory auditor to establish such relationship shall be furnished by the Applicant along-with the Resolution Plan.

APPENDIX – 6

FINANCIAL PROPOSAL

(On the letter head of the Applicant)

To,
Venkatesan Sankaranarayanan
Resolution Professional
Unit No. 2, First floor, No. 25, First Main Road,
Gandhi Nagar, Adyar, Chennai – 600 020

Dear Sir,

Sub: Financial Proposal relating to Tecpro Systems Limited. (“Company”)

Set out below is the Financial Proposal (as part of Resolution Plan) of the Company

The Applicant shall provide the details of the terms and conditions of the Resolution Plan Process containing the following details:

1. ***Acquisition of Management Control***

(a) *Proposal for Outstanding Debt*

[The Applicant shall submit a proposal for the Outstanding Debt consisting of all terms and conditions being offered in relation to the Outstanding Debt including the proposed issuance of/conversion into financial instruments, whether convertible or non-convertible, including debt, preference shares, debentures, etc. The Applicant shall, for each of the instruments proposed, provide the following terms or terms of similar nature as are required for each such instrument. For the avoidance of doubt, where the Financial Proposal includes convertible instruments, the terms of conversion of such instrument shall be clearly set out in the Financial Proposal.]

- (i) *Type of Instrument;*
- (ii) *Amount of the Outstanding Debt to be converted into the relevant instrument;*
- (iii) *Interest rate/coupon/Rate of return;*
- (iv) *Principal moratorium;*
- (v) *Interest moratorium;*
- (vi) *Quarterly repayment schedule;*
- (vii) *Terms of conversion; and*
- (viii) *Other key terms pertaining to the proposal for the Outstanding Debt.*

(b) *Proposal for funding by the Applicant:*

- (i) *Aggregate amount of additional funds to be infused by the Applicant as Applicant Contribution to meet the expenditure planned as per Resolution Plan or for reduction of Outstanding Debt*
- (ii) *Nature/type of instrument for infusion of the Applicant Contribution into the Company and key terms thereof*
- (iii) *Proposed timelines for completion of the funding by the Successful Applicant*

[Documentary proof establishing the external rating of the guarantor will have to be submitted. In case of domestic entities, rating from only external rating agencies as accredited by RBI and in case of overseas entities, rating from only the following external rating agencies shall be accepted: Standard & Poor's, Moody's Investors Service and Fitch. In case of submission of rating from any other agency, the guarantor shall be treated as unrated.]

[Support in the nature of undertakings shall not be considered as financial support for the purpose of evaluation of the Financial Proposal.]

2. Proposal for Asset Acquisition

- (a) *Proposal for Asset Acquisition*

[The Applicant shall provide the following terms or terms of similar nature as may be necessary for asset purchase/take-over/transfer]

- (i) *Details of the assets proposed to be purchased/taken-over/transferred and the proposed transaction structure;*
- (ii) *Consideration offered for the assets proposed to be purchased/taken-over/transferred;*
- (iii) *Payment mechanism along with the relevant details;*
- (iv) *Timelines for takeover of the assets proposed to be purchased/taken-over/transferred; and*
- (v) *Any other terms pertaining to asset purchase.*

[Documentary proof establishing the external rating of the guarantor will have to be submitted. In case of domestic entities, rating from only external rating agencies as accredited by RBI and in case of overseas entities, rating from only the following external rating agencies shall be accepted: Standard & Poor's, Moody's Investors Service and Fitch. In case of submission of rating from any other agency, the guarantor shall be treated as unrated.]

[Support in the nature of undertakings shall not be considered as financial support for the purpose of evaluation of the Financial Proposal.]

[Applicant to ensure that the terms provided are in compliance with Applicable Laws including any change of such terms pursuant to discussions with the Resolution Professional or members of Committee of Creditors of the Company.]

3. Summary of key commitments

The Resolution Applicant to provide the following along with supporting documents (copies of supporting documents need not be repeated, if included once).

| SI No. | Parameter | Value |
|--------|--|-------|
| 1. | Upfront Cash Payment Amount and in terms of percentage of Resolution debt*. | [●] |
| 2. | Cash on deferred payment basis/ assumed term liability on Company, if any. Amount, Tenor, year wise payment schedule and in terms of percentage of Resolution Debt | [●] |
| 3. | Equity offer to the creditors (post money basis), if any. Amount & in terms of percentage of paid up capital of Company | [●] |
| 4. | Fresh equity infusion for improving operations into the company, if any (only if lenders are continuing). Amount & in terms of percentage to the Resolution debt. | [●] |
| 5. | Financial projections made for atleast three years for the Company: Sales, EBITDA etc. with assumptions for achieving them. | [●] |
| 6. | Ability to turn around distressed companies: Managerial competence and technical abilities, Key Management Personnel, Track record, if any, in turning around stressed companies etc. | [●] |
| 7. | Standing of bidder/group in sector/external rating/adherence to financial discipline, financial strength, regulatory compliance, Balance sheet size, TNW, Adj.TNW, Conduct of Bank account, IRAC status etc. | [●] |

* Resolution Debt for the evaluation purpose shall mean the total admitted claims in the Company as on Form G upload date (i.e. 31 Jan, 2018) which is INR 8,294.07 Cr (may undergo change based on admission/rejection of claims)

We understand that the members of the Committee of Creditors have further right to renegotiate the terms of this Financial Proposal and the decision of the Committee of Creditors and the Resolution Professional in selection of the Successful Applicant shall be final and binding on us.

Yours faithfully

(Signature and stamp (on each page) of Managing Director/Full time Director /Chief Executive Officer of the Applicant)

Name:

Date:

Place:

[Please also affix the common seal of Applicant]

[Insert name of the Applicant] has been affixed in my/our presence pursuant to the resolution of the board of directors of [Insert name of the Applicant], dated [●]

.....

.....

(Signature)

Name:

Designation:

WITNESS:

1.

(Signature)

Name.....

Designation.....

Date:

2.

(Signature)

Name.....

Designation.....

Date:

APPENDIX – 7

FORMAT OF CERTIFICATE - CORPORATE STRUCTURE OF THE APPLICANT, GROUP COMPANIES, AFFILIATES, PARENT COMPANY, AND THE ULTIMATE PARENT

[On the letter head of the Applicant]

To,
Venkatesan Sankaranarayanan
Resolution Professional
Unit No. 2, First floor, No. 25, First Main Road,
Gandhi Nagar, Adyar, Chennai – 600 020

Dear Sir,

Sub: Corporate structure of the Applicant and the Group Companies, Affiliates, Parent Company and the Ultimate Parent Company of the Applicant

1. In relation to the request for resolution plan issued by the Resolution Professional dated Feb 19, 2018 (“**Process Memorandum**”), we, *[insert name of the Applicant]* hereby certify that:

i. the following entities are the Group Companies:

[insert name of Group Company]

| Name of Shareholder ¹ | No. of equity shares held by [●] | Percentage of equity shares held by [●] |
|----------------------------------|----------------------------------|---|
| <i>[insert name]</i> | <i>[insert number of shares]</i> | <i>[insert percentage]</i> |
| Total | [●] | [●] |

ii. Affiliate

[insert name of Affiliate]

| Name of Shareholder ² | No. of equity shares held by [●] | Percentage of equity shares held by [●] |
|----------------------------------|----------------------------------|---|
| <i>[insert name]</i> | <i>[insert number of shares]</i> | <i>[insert percentage]</i> |
| Total | [●] | [●] |

iii. Parent Company

[insert name of Parent Company]

| Name of Shareholder ³ | No. of equity shares held by [●] | Percentage of equity shares held by [●] |
|----------------------------------|----------------------------------|---|
| <i>[insert name]</i> | <i>[insert number of shares]</i> | <i>[insert percentage]</i> |
| Total | [●] | [●] |

¹ If the shareholder is a company, please also provide the shareholding of such company.

² If the shareholder is a company, please also provide the shareholding of such company.

³ If the shareholder is a company, please also provide the shareholding of such company.

iv. Ultimate Parent

[insert name of Ultimate Parent]

| Name of Shareholder ⁴ | No. of equity shares held by [●] | Percentage of equity shares held by [●] |
|----------------------------------|----------------------------------|---|
| [insert name] | [insert number of shares] | [insert percentage] |
| Total | [●] | [●] |

Thank you.

Yours sincerely,

.....
[Signature and name of Attorney as per format – Power of Attorney]
Rubber stamp / seal of the Applicant

⁴ If the shareholder is a company, please also provide the shareholding of such company.