

**INVITATION FOR EXPRESSION OF INTEREST FOR PROPOSING A SCHEME OF COMPROMISE OR ARRANGEMENT OF HDO TECHNOLOGIES LIMITED (IN LIQUIDATION) WITH ITS CREDITORS AND/OR MEMBERS UNDER SECTION 230 OF THE COMPANIES ACT, 2013**

**1. BACKGROUND**

HDO Technologies Limited (“HDOTL”) (in liquidation) is a wholly owned subsidiary company of Hindustan Dorr Oliver Limited having manufacturing facility at Vatva, Ahmedabad and involved in manufacturing of Pressure Vessels and Heat Exchangers for process industries, various proprietary equipments and machinery spares specifically for Oil and Gas, Fertilizer, Refinery, Petrochemical, Thermal Power, Nuclear Power Sector, Minerals, Environment, Pulp & Paper.

Bank of India, a Financial Creditor under Section 7 of Insolvency and Bankruptcy Code, 2016 filed an application for initiating Corporate Insolvency Resolution Process against the HDOTL before the Hon’ble National Company Law Tribunal, Mumbai Bench (“NCLT”). The application was admitted by NCLT vide its order dated 28<sup>th</sup> April 2017 and Mr. Amit Gupta [CP No. 720/I&BP/NCLT/MAH 2017] was appointed as an Interim Resolution Professional by NCLT and was confirmed as Resolution Professional in the 1st meeting of the Committee of Creditors. The CIRP was extended for 90 days vide order dated 12<sup>th</sup> October 2017 and the CIRP period of 270 days expired on 23<sup>rd</sup> January 2018.

A joint resolution plan for HDO Technologies Limited and Hindustan Dorr Oliver Limited (“HDOL”) (Holding company of HDOTL undergoing CIRP vide order in [CP No. 596/I&BP/NCLT/MAH 2017 dated 21<sup>st</sup> April, 2017]) submitted by certain resolution applicants was not approved by the Committee of Creditors and an order for liquidation was passed by the Hon’ble NCLT on 25<sup>th</sup> June, 2018. Mr. Amit Gupta was appointed as the Liquidator.

The said order dated 25<sup>th</sup> June 2018 was challenged before the Hon’ble National Company Law Appellate Tribunal, New Delhi (NCLAT). On 29<sup>th</sup> January 2019, the Hon’ble NCLAT upheld the order of liquidation and directed the Liquidator to take steps under Section 230 of the Companies, Act, 2013 to sell the Company as a going concern.

In compliance with the said order, Mr. Amit Gupta, in his capacity as the Liquidator of HDOTL, invites Expression of Interest from potential sponsors interested in proposing a Scheme of Compromise or Arrangement with creditors or class of creditors and /or members or class of members of HDOTL in compliance to the provisions of Section 230 of the Companies Act, 2013, for the purpose of reviving HDOTL (hereinafter referred to as “Scheme of Compromise or Arrangement”).

**2. INVITATION FOR POTENTIAL SPONSORS:**

Mr. Amit Gupta as the Liquidator of HDOTL, invites Expression of Interest from interested parties who shall fulfil such eligibility criteria as set out in “Annexure B” and who are proposing Scheme of Compromise or Arrangement.

### 3. SUBMISSION OF EOI:

- a. Expression of Interest is invited in a sealed envelope superscripted as <Expression of Interest for Scheme of Compromise/ Arrangement in HDOTL>, in the format as set out in “Annexure A” hereto.
- b. Applicants should meet the eligibility criteria as set out in “Annexure B”
- c. Applicant shall submit the EOI along with the supporting documents set out as “Annexure C” and shall provide the details of the Applicant as set out in “Annexure D”
- d. Applicant shall submit the sealed envelope containing a completed set of EOI in hard copy along with the Annexures as stated above to the following address by post or deliver in person:

**Mr. Amit Gupta, Liquidator of HDO Technologies Limited**  
**309, Crescent Business Park,**  
**Sakinaka Telephone Exchange,**  
**Sakinaka, Andheri East, Mumbai – 400072.**

- e. Applicant shall also submit a soft copy of EOI along with annexures stated above vide email to [irp.hdotech@gmail.com](mailto:irp.hdotech@gmail.com) and [caamith.gupta@gmail.com](mailto:caamith.gupta@gmail.com).

### 4. LAST DATE OF SUBMISSION OF EOI:

The last date for submission of Expression of Interest is 8<sup>th</sup> March, 2019 up to 5 PM. In case the said day happens to be a holiday; the next working day will be deemed as the last date for submission of EOI.

**Shortlisting of Sponsors and submission of Scheme of Compromise or Arrangement** - All the EOIs received will be reviewed by Liquidator. The shortlisted sponsors who fulfil the eligibility criteria will be intimated within 7 days from the last date of receipt of EOI with further steps/ details.

### Note:

1. The Liquidator shall reserve the right to cancel or modify the process without assigning any reason and without any liability. This is not an offer document and is issued with no commitment. Applicants should regularly visit the website [www.hdo.in](http://www.hdo.in) to keep themselves updated regarding clarifications/amendments/time-extensions, if any.
2. The Liquidator reserves the right to withdraw the Expression of Interest and change or vary any part thereof at any stage and also reserves the right to disqualify any potential Sponsor, should it be so necessary at any stage.
3. No oral conversations or agreements with the Liquidator or any official, agent or employees of the Liquidator, the Creditor or any class of creditors, any member or class of members shall affect or modify any terms of Expression of Interest.

4. By submitting a proposal, each Sponsor shall be deemed to acknowledge that it has carefully read the entire EOI and has informed itself as to all existing conditions and limitations.
5. Criteria for qualification – Financial proposals of only those interested parties who meet the eligibility criteria (Business and Financial) specified in Annexure – B at [www.hdo.in](http://www.hdo.in) will be considered. EOIs which do not meet the criteria shall be rejected.
6. The Applicant shall note that, all the powers of the Board of Directors, Key Managerial Personnel and the partners of the Corporate Debtor, as the case may be has ceased to have effect and has been vested in with the Liquidator of the Company.
7. Neither the Applicant nor any of representatives of the Applicant shall have any claims whatsoever against the Liquidator or its advisors or any of their officials, agents or employees arising out of or relating to this IEOI.
8. By submitting its EOI, each Applicant shall be deemed to acknowledge that it has carefully read the entire IEOI and has fully informed itself as to all existing conditions and limitations. Ignorance of law/s will not be treated as any excuse.
9. The Applicant acknowledges that the investment in the Company shall be made by the Applicant on an “as in, where is” basis and the Liquidator will not be providing any representations or warranties for the corporate debtor.

For any clarifications on the process of submission of EOI, please contact on [irp.hdotech@gmail.com](mailto:irp.hdotech@gmail.com).

Issued by:

Mr. Amit Gupta

(IP Registration No.: IBBI/IPA-001/IP-P00016/2016-17/10040)

**Address for Correspondence in this regard:** 309, Crescent Business Park, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400072

Email ID: [irp.hdotech@gmail.com](mailto:irp.hdotech@gmail.com), [caamith.gupta@gmail.com](mailto:caamith.gupta@gmail.com)

Registered email ID with IBBI: [caamith.gupta@gmail.com](mailto:caamith.gupta@gmail.com)

**“ANNEXURE – A”  
FORMAT FOR EXPRESSION OF INTEREST**

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

To,  
Mr Amit Gupta  
Liquidator of HDO Technologies Limited  
Company under Liquidation

**Subject:** Expression of Interest (“EOI”) for proposing a scheme of compromise or arrangement with creditors and members of the HDO Technologies Limited (in liquidation) in compliance with section 230 of the Companies Act, 2013 and rules prescribed thereunder (“Scheme”).

Dear Sir/Madam,

In response to your public advertisement in [*Insert the names of the newspaper and/or website*] on [*Insert date of the advertisement*] inviting EOIs for sponsors in HDOTL, we hereby submit our EOI for proposing the Scheme.

We have attached necessary information requested in the format for EOI published on the website of HDOTL at [www.hdo.in](http://www.hdo.in). The information furnished by us in this EOI is true, correct and accurate to the best of our knowledge. Based on this information we understand you would be able to evaluate our preliminary proposal in order to pre-qualify for the above-mentioned proposal.

We however, understand that Amit Gupta, Liquidator reserves their right to decide whether or not to pre-qualify our proposal without disclosing the reason whatsoever and that our proposal shall be subject to approval of the scheme of compromise or arrangement by the creditors or class of creditors, or members or class of members and thereafter by Hon’ble NCLT, in terms of the provisions of the Companies Act, 2013.

Sincerely yours,

On behalf of the firm/company/organization:

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

Name of signatory:

Designation:

Company Seal/stamp

**Enclosures:** (Annexures)

**“ANNEXURE – B”**  
**ELIGIBILITY CRITERIA FOR QUALIFICATION**

**1. ELIGIBILITY CRITERIA**

Proposals of only those sponsors who meet the qualifying criteria (business and financial) specified below in this Expression of Interest will be considered. EOIs which do not meet these criteria shall be rejected.

The Proposed Sponsors’ competence and capability is proposed to be established by the following parameters:

- a. Business Capacity; and
- b. Financial Capacity
- c. Performance Bank Guarantee

**a. Business Capacity Evaluation Criteria:**

**Turnover:** The Sponsor is required to have a turnover of at least INR 100,00,00,000 (Rupees One Hundred Crores) or more as per the last available audited financial statements.

**Note:** *Turnover shall mean either gross income or gross revenue.*

*While providing the information and numbers for the turnover criteria, standalone turnover (i.e. gross income or gross revenue) along with the consolidated number with that of the promoter/ promoter group and/ or any of the group entities may be provided based on audited financial statements of preceding 3 (three) financial years of the Sponsor and such entities.*

**b. Financial Capacity Evaluation Criteria:**

**Net Worth: Minimum Tangible Net Worth (“TNW”) INR 50 Crore at the Group Level in the immediately preceding completed financial year.** Net Worth shall be computed as aggregate value of paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, and does not include capital reserves including reserves created out of revaluation of assets, write back of depreciation and amalgamation.

**c. Submission of Bank Guarantee:** All sponsors shall furnish bank guarantee of INR 10,00,00,000 (Rupees Ten Crores Only) alongwith EOI, in favour of Bank of India, Large Corporate Branch, Mumbai in one of the following forms:

- i. Bank Guarantee issued by any scheduled commercial bank in India (“Bank”)  
or
- ii. a direct deposit by way of the real time gross settlement system into a bank account held by Bank of India, the details of which are as follows:  
Bank Name: Bank of India  
Branch Address : Large Corporate Branch  
A/c No. 011920110000393  
IFSC Code BKID0000119
- iii. a Demand Draft issued by any scheduled commercial bank in India (“PBG”).

The said bank guarantee/deposit/ demand draft will be returned within [60] days (of non-consideration/rejection) if the Liquidator does not consider the proposal of the sponsor or if the proposal of the sponsor is rejected by the Liquidator, NCLT or any class of creditors or members.

**Exchange Rate**

For the purpose of evaluation of the EOI, the exchange rate to be used for conversion into INR (Indian Rupees) shall be RBI Reference rate on the closing working day that precedes the date of the EOI.

**“ANNEXURE – C”**  
**SUPPORTING DOCUMENTS TO BE ATTACHED WITH EOI**

- a. Profile of the Potential Sponsor
- b. **Legal Documents:** Copies of Certificate of Registration and Constitutional Documents of the Potential Sponsor
- c. **For Turnover:** Immediately preceding 3 (three) years audited financial results of the Potential Sponsor and/or its promoter/promoter group or any other group company as per the qualification criteria
- d. **For Demonstration of funds availability:** Relevant statement of funds availability of the Potential Sponsor and/or promoter/promoter group or any other group company, as per the prescribed qualification criteria.
- e. A notarized declaration from the Sponsor in order to demonstrate that the promoter/promoter group or any other group company are part of the same group, in case the interested party is using such entities for meeting the qualification criteria. Please note that the Sponsor shall provide all relevant documents for its promoter/promoter group or any other group company, if required to meet the qualification criteria.
- f. Non-Disclosure Undertaking As given in Annexure E.
- g. Affidavit under section 29A - As given in Annexure F.
- h. Earnest Money Deposit Guarantee – As given in Annexure G.
- i. Statement giving details if the applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved by the Adjudicating Authority at any time in the past.

**“ANNEXURE – ‘D’  
DETAILS OF THE POTENTIAL SPONSOR**

**a. Name and address:**

Name of the Sponsor:

Address:

Telephone No:

Fax:

Email:

**b. Date of establishment of Sponsor Company /Sponsor Group:**

**c. Core area of expertise of the Sponsor:**

**d. Contact Person:**

Name:

Designation:

Telephone No:

Email:

**e. PAN No. or equivalent details of Sponsor**



**'ANNEXURE – E'**  
**Non-Disclosure Undertaking**

THIS NON-DISCLOSURE AGREEMENT (“**Agreement**”) is made on this \_\_\_\_ day of \_\_\_\_\_ 2019 by and between:

Mr. Amit Gupta, being a registered insolvency professional with IP Registration No.: IBBI/IPA-001/IP-P00016/2016-17/10040, appointed as a Liquidator (“**Disclosing Party/Liquidator**”) of HDO Technologies Limited (“**Company**”), a company incorporated under the Companies Act, 1956 having its registered office at Dorr Oliver House, Link Road, Chakala, Andheri West, Mumbai - 400099 which is undergoing Liquidation process under the provisions of the Insolvency and Bankruptcy Code, 2016 (“**Code**”) and its applicable regulations, as amended from time to time, of the **FIRST PART**;

And

\_\_\_\_\_, a company incorporated in \_\_\_\_\_ and having its registered office at \_\_\_\_\_ (the “**Sponsor**”, which expression shall, unless excluded by or repugnant to the context or meaning thereof, include its successors, transferees and permitted assigns) of the **SECOND PART**.

(The Disclosing Party/Liquidator and the Recipient/Sponsor hereinafter also referred to individually as a “**Party**” and collectively as the “**Parties**”)

**WHEREAS:**

- A. Pursuant to an invitation for expressions of interest dated \_\_\_\_\_ published by the Liquidator in \_\_\_\_\_ newspapers on \_\_\_\_\_, the Liquidator had invited expressions of interest (“**EOI**”) from sponsors for the purpose of submission of Scheme of Compromise and Arrangement as per Section 230 of the Companies, Act, 2013 (“**Scheme**”) for the Company in accordance with the provisions of the Code. The Sponsor, has accordingly, submitted its EOI to the Liquidator on \_\_\_\_\_.
- B. The Sponsor proposes to submit a scheme in respect of the Company to the Liquidator, in accordance with the Code. For the purpose of such preparation, submission and negotiation of the Scheme, the Liquidator may provide the Sponsor with access to relevant information in that respect, provided that the Sponsor provides a confidentiality undertaking to the Liquidator with respect to such information provided.
- C. In view of the above, the Liquidator will be sharing the relevant information, comprising/ containing certain Confidential Information (*as defined in Clause 1 below*) with the Sponsor and accordingly the Parties have agreed to enter into this Agreement and be bound by the terms and conditions hereinafter set forth governing, *inter-alia*, the disclosure, use and protection of such Confidential Information.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. “**Confidential Information**” shall mean all information, whether in written, oral, pictorial, electronic, visual or other form, including information in the virtual data room (“**VDR**”), relating, in any manner whatsoever, to the Company or to any group entity (including any holding, subsidiary, associate, joint venture or related entity) of the Company or in relation to the scheme. Without prejudice to

the generality of the foregoing, Confidential Information includes, without limitation:

- (i) any information which relates to the business, sales and marketing, operations, pricing arrangements, suppliers, customers, network, finance, technology, corporate, organisation, management, strategic initiatives and plans, policies and reports, financial position of the Company;
- (ii) any drawing, calculation, specification, instruction, diagram, catalogue, manual, data, templates, models, prototypes, samples, presentations, proposals, quotations, computer programs, software, belonging to or vested in the Company or in which Company has an interest of any kind;
- (iii) any unpatented invention, formula, procedures, method, belonging to or vested in the Company or in which Company has an interest of any kind;
- (iv) any unregistered patent, design, copyright, trademark including any pending applications and any intellectual or industrial proprietary right, belonging to or vested in the Company or in which Company has an interest of any kind;
- (v) any information belonging to identified third parties with whom the Company has business dealings;
- (vi) any proposed business deals, contracts or agreements to which Company is party;
- (vii) the Information Memorandum in respect of the Company prepared under the provisions of the Code by the RP and information contained in VDR;

2. The Recipient shall at all times observe the following terms:

- (i) it shall hold in trust and in confidence the Confidential Information provided to the Recipient by the Disclosing Party;
- (ii) it shall not, directly or indirectly use the Confidential Information for any purpose other than for the Purpose or for causing an undue gain or undue loss to itself or any other person;
- (iii) it shall 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 Disclosing Party;
- (iv) it may disclose the Confidential Information to its employees, advisors, directors and/or its Affiliates (together the "**Representatives**"), strictly on a need to know basis and solely for the Purpose, 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 Purpose and shall be bound by confidentiality obligations that are at least as stringent as the obligations set out in this Agreement. The Recipient acknowledges that any agreement (written or otherwise) entered into between the Recipient and the Representatives would not discharge the Recipient from its confidentiality obligations under this Agreement. In any event, the Recipient shall remain liable and responsible for any confidentiality breaches by its Representatives and breach by any Representative of the Recipient shall be deemed as breach of this Agreement by the Recipient. For the purposes of this Agreement, the term "**Affiliate**" shall mean, with respect to the Recipient, any person or entity who is directly or indirectly Controlling, or is Controlled by, or is under the direct common Control of the Recipient and the term "**Control**" means a person who has the power to direct the management and policies of any person or entity, directly or indirectly, whether by ownership of voting securities, board control, by contract or otherwise. The terms "**Controlling**" and "**Controlled by**" or "**under common Control**" shall have corresponding meanings;
- (v) it shall use the same degree of care to protect the Confidential Information as the Recipient uses to protect its own confidential information but no less than a reasonable degree of care to prevent the unauthorised access, use, dissemination, copying, theft and/or republication of the Confidential Information;
- (vi) it shall at no time, discuss with any person, the Confidential Information or any other matter

- in connection with, or arising out of, the discussions or negotiations in relation to the Purpose (other than to the extent permitted hereunder);
- (vii) it shall immediately, upon the earlier of (a) the conclusion of the Purpose; or (b) termination of this Agreement as per Clause 10 below; or (c) a notification by the Disclosing Party, surrender and return to the Disclosing Party, all Confidential Information and any notes, memoranda or the like, including any copies or reproductions in its possession, or destroy the same in accordance with the directives of the Disclosing Party, in each case, except to the extent, retention of such Confidential Information is required under applicable law, provided that the Recipient in these cases, shall notify the Disclosing Party of the information that has been retained as a result of such applicable law along with the corresponding details of the applicable law which warranted such retention;
  - (viii) it shall not publish any news release or make any announcements or denial or confirmation in any medium concerning this Agreement or its proposal to prepare/ submit the Scheme or contents of Scheme in any manner nor advertise or publish the same in any medium, without the prior written consent of the Disclosing Party;
  - (ix) it shall promptly notify the Disclosing Party of any Confidential Information which has been lost or disclosed or used by any unauthorised third party provided that such notification shall not relieve the Recipient from any liability arising from its breach of this Agreement;
  - (x) it shall protect against any unauthorised disclosure or use, any Confidential Information of the Company that it may have access to in any manner.
3. The Recipient shall not be liable for disclosure or use of the Confidential Information in the event and to the extent that such Confidential Information:
- (i) is or becomes available to the public domain without breach of this Agreement by the Recipient; or
  - (ii) is disclosed with the prior written approval of the Disclosing Party; or
  - (iii) was in the possession of the Recipient prior to its disclosure to them under this Agreement from another source not under any obligation of confidentiality to the provider; or
  - (iv) is disclosed pursuant to any law or a court order or the stock exchange requirement provided that in the event the Recipient is required to make such disclosure pursuant to a court order / stock exchange announcement, then in that case the Recipient shall only disclose the Confidential Information to the extent required and to the extent permissible, promptly notify the Disclosing Party in advance, so that the Disclosing Party has the opportunity to object to such disclosure or discuss the extent of disclosure by the Recipient.
4. The Recipient agrees that the Disclosing Party, by the disclosure of the Confidential Information to the Recipient, does not grant, express or implied, any right or license to use the Confidential Information for any purpose other than the Purpose contemplated under this Agreement or vest any intellectual property rights or legal or beneficial interest in the Confidential Information so disclosed to the Recipient.
5. For the avoidance of doubt, nothing in this Agreement shall compel the Disclosing Party to disclose to the Recipient, any or all the Confidential Information requested by the Recipient and the Disclosing Party shall, at all times during the subsistence of this Agreement, reserve the right to determine, in its sole discretion, whether it shall disclose such Confidential Information (in whole or part).
6. The Disclosing Party makes no representation, warranty or inducement, whether express or implied, as to the accuracy or completeness of the Confidential Information and shall not be liable to the Recipient for any damage arising in any way out of the use of, or termination of the Recipient's right to use the Confidential Information. The Disclosing Party has not verified or audited the information and the information so provided is based on books and records available with the Company. The Disclosing Party



12. If any provision of this Agreement is invalid or illegal, then such provision shall be deemed automatically adjusted to conform to the requirements for validity or legality and as so adjusted, shall be deemed a provision of this Agreement as though originally included. If the provision invalidated is of such a nature that it cannot be so adjusted, the provision shall be deemed deleted from this Agreement as though the provision had never been included, in either case, the remaining provisions of this Agreement shall remain in full force and effect.
13. No amendments, changes or modifications of any provision of this Agreement shall be valid unless made by a written instrument signed by a duly authorised representative of each of the Parties.
14. No failure or delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other exercise thereof or the exercise of any other right, power or privilege hereunder.
15. Neither Party may assign or transfer its rights or obligations contained in this Agreement or any interest therein without the prior written consent of the other Party.
16. This Agreement shall be governed by and construed in all respects according to the laws of the India and, the Parties hereto agree to submit to the exclusive jurisdiction of the courts of Mumbai.
17. This Agreement comprises the full and complete agreement of the Parties hereto as at the date hereof with respect to the disclosure of Confidential Information and supersedes and cancels all prior communications, understandings and agreements, if any, between the Parties hereto, whether written or oral, expressed or implied.
18. The Disclosing Party acknowledges that, in the ordinary course of business, the Recipient may be engaged through separate platforms in the origination of loans (including the provision of debt financing for transactions similar to the transactions contemplated herein) and syndicated bank debt, and nothing in this Agreement shall restrict such activities of such other platforms, provided that none of the Confidential Information is used or disclosed in connection therewith and such transactions are not in contravention of the Code or with the liquidation process of the Company.
19. This Agreement may be executed in counterparts, each of which when taken together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorised representatives to set their hands the day and year first above written.

Signed by/  
for and on behalf of  
the Disclosing Party/Liquidator

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Name:

Designation:

in the presence of

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Name:  
Designation:

Signed by  
for and on behalf of  
the Recipient/Sponsor

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Name:  
Designation:

in the presence of

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Name:  
Designation:

## 'ANNEXURE – F'

### SECTION 29A

An Applicant will not be eligible to submit the EOI if she/it or any person acting jointly or in concert with her/it:

1. is an undischarged insolvent;
2. is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;
3. at the time of submission of the EOI 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:

Provided that the person shall be eligible to submit an EOI if such person makes payment of all overdue amounts with interest thereon and charges relating to non-performing asset accounts before submission of Plan:

Provided further that nothing in this clause shall apply to an applicant where such applicant is a financial entity and is not a related party to the corporate debtor.

Explanation I- For the purposes of this proviso, the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date.

Explanation II.— For the purposes of this clause, where an applicant has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior plan approved under the Code, then, the provisions of this clause shall not apply to such applicant for a period of three years from the date of approval of such plan by the Adjudicating Authority under the Code;

4. has been convicted for any offence punishable with imprisonment –
  - a. for two years or more under any Act specified under the Twelfth Schedule of the Code; or
  - b. 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.

5. 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.

6. Is prohibited by the Securities Exchange Board of India from trading in securities or accessing the securities market;
7. 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 applicant pursuant to a plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

8. has executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code and such guarantee has been invoked by the creditor and remains unpaid in full or part

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

or

10. 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 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 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 an applicant where such applicant is a financial entity and is not a related party of the corporate debtor:

Provided further that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date;

Explanation II—For the purposes of this section, "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely: —

- a. a scheduled bank;
- b. any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International 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 registered with the Reserve Bank of India under section 3 of the Securitisation 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 – G’

### EARNEST MONEY DEPOSIT GUARANTEE

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

In light of the expression of interest for proposing a Scheme of Arrangement or Compromise of HDO Technologies Limited submitted by .....[Insert name of the Sponsor with address], the ..... [Insert name and address of the bank issuing the guarantee and address of the head office] (“Guarantor Bank”) hereby agrees unequivocally, irrevocably and unconditionally to pay to Bank of India, having its head office at [] (hereinafter referred to as “the Bank”) forthwith on demand in writing from the Bank or any officer authorised by it in this behalf, any amount up to and not exceeding INR 10,00,00,000 (Indian Rupees Ten Crores only) on behalf of M/s. .... [Insert name of the Sponsor] (“Bank Guarantee”).

This Bank Guarantee shall be valid and binding on the Guarantor Bank up to and including [6 months from the date of the guarantee] and shall in no event be terminable, for any change in the constitution of the Guarantor Bank and/or the Bank or for any other reasons whatsoever and the liability of the Guarantor Bank hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between ..... [Insert name of the Sponsor] (“Sponsor”) and the Bank.

Our liability under this Bank Guarantee is restricted to [●] only. Our Guarantee shall remain in force until ..... [6 months from date of issue]. The Bank shall be entitled to invoke this Guarantee up to 30 (thirty) days from the last date of the validity of this Earnest Money Deposit Guarantee by issuance of a written demand to invoke this Guarantee.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand from the Bank (made in any format) raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to [●].

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by, ..... [Insert name of the Sponsor] and / or any other person. The Guarantor Bank shall not require the Bank to justify the invocation of this Bank Guarantee, nor shall the Guarantor Bank have any recourse against the procurer(s) in respect of any payment made hereunder.

This Bank Guarantee shall be interpreted in accordance with the laws of India and the courts at Mumbai shall have exclusive jurisdiction. The Guarantor Bank represents that this Bank Guarantee has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This Bank Guarantee shall not be affected in any manner by reason of merger, amalgamation, restructuring, liquidation, winding up, dissolution or any other change in the constitution of the Guarantor Bank.

This Bank Guarantee shall be a primary obligation of the Guarantor Bank and accordingly the Bank shall not be obliged before enforcing this Bank Guarantee to take any action in any court or arbitral proceedings against the Sponsor, to make any claim against or any demand on the Sponsor or to give any notice to the Sponsor or to exercise, levy or enforce any distress, diligence or other process against the Sponsor.

The Guarantor Bank hereby agrees and acknowledges that the Bank shall have a right to invoke this Bank Guarantee either in part or in full, as it may deem fit.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to [●] and it shall remain in force until ..... [6 months from the date of issue], with an additional claim period of 30 (thirty) days thereafter. This Bank Guarantee shall be extended from time to time for such period, as may be desired by the Sponsor. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if [●] serves upon us a written claim or demand.

In witness whereof the Guarantor Bank, through its authorised officer, has set its hand and stamp on this ..... day of ..... at .....

Witness:

1. .... Signature Name and Address. Name:

2. .... Designation with Bank Stamp Name and Address

Attorney as per power of attorney No .....

For:

..... [Insert Name of the Bank] Banker's Stamp and Full Address:

Dated this ..... day of ..... 20....

Notes:

(1) The Stamp paper should be in the name of the Guarantor Bank.