

M/s NEUEON TOWERS LIMITED (Corporate Debtor)

(Under Corporate Insolvency Resolution Process)

Eligibility Criteria for Expression of Interest (EOI)

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Prospective Resolution Applicants

(Pursuant to FORM G and Advertisement in the newspapers)

The minimum Eligibility Criteria as specified by CoC in terms of Section 25(2)(h) of IBC, 2016 is as under:

1. CATEGORY 1:

For Body Corporates, Limited Liability Partnerships (LLPs), Partnership Firms and Individuals or any other person not covered under Category 2:- Minimum Net worth of INR 200 crores at the group level as per latest available audited balance sheet / financial results submitted to stock exchanges. Group shall include Holdings/Subsidiaries/Associates.

2. CATEGORY 2:

FOR FUNDS/P.E. INVESTORS/FINANCIAL INSTITUTIONS/ ARCs/

AIFs:- Minimum Asset under Management or Funds Deployed amounting to INR 500 Crores (Rupees Five Hundred Crores Only) as per latest available Audited Balance sheet.

Financial Investors include Mutual Funds, Private Equity / Venture Capital Funds, Domestic / Foreign Investment Institutions, Non-Banking Finance Companies, Asset Reconstruction Companies, Banks and similar entities. All need to be duly registered under applicable regulations in India and need to provide valid registration certificate copies along with the applicable constitutional documents, as a part of the response to this Request for Proposal.

Other Conditions

1. Documents required to be attached with request for EOI as under:
 - Copy of PAN of the Resolution Applicant
 - Copy of KYC of the Resolution Applicant & Authorised Representative.
 - Copy of Address Proof of Resolution Applicant

- Copies of Last 3 Years Audited Financial Statements
 - Board Resolution in Original authorizing to participate and sign in the process of EoI and submission of Resolution Plan for the Corporate Debtor.
2. Resolution Applicant should be eligible to submit Resolution Plan in terms of provisions of IBC, 2016 read with relevant Regulations as amended upto date.
 3. In case of applicants under category 2: A certificate from Auditors certifying AUM of INR 500 crores will be required to be submitted.
 4. Proposals by Consortium of Investors
 - a) Proposals can also be made by / with the support of a consortium of investors. However the maximum consortium members will be 5 only.
 - b) In all consortium cases, proposal needs to be made by a nominated lead applicant who should meet the Net Worth / Investible Funds Criteria of a minimum of 51% of the total requirement.
 - c) Each member of the consortium will need to fulfill the Net Worth / Investible Funds criteria up to a minimum of 10%.
 - d) The Net Worth criteria will continue to be applicable on aggregate basis for the consortium.
 5. An expression of interest shall be unconditional and be accompanied by-
 - a) an undertaking by the prospective resolution applicant that it meets the criteria as given herein above;
 - b) relevant records in evidence of meeting the criteria;
 - c) an undertaking by the prospective resolution applicant that it does not suffer from any ineligibility under section 29A of IBC, 2016 as amended from time to time to the extent applicable;
 - d) relevant information and records to enable an assessment of ineligibility under Section 29 A of IBC, 2016;

All Potential Resolution Applicants must read, understand and comply with all requirements under the IBC, 2016 & CIRP Regulations under the IBC, 2016 as updated from time to time, for Resolution Plans and all matters there under, in pursuance to, in furtherance of or in relation to this invitation.

Ineligibility norms under section 29A of IBC, 2016:

Section 29A: A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person—

(a) is an undischarged insolvent;

(b) is a willful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);

(c) at the time of submission of the resolution plan has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) or the guidelines of a financial sector regulator issued under any other law for the time being in force, and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor:

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

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

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

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

by the Adjudicating Authority under this Code;

(d) has been convicted for any offence punishable with imprisonment –

(i) for two years or more under any Act specified under the Twelfth Schedule; or

(ii) for seven years or more under any law for the time being in force:

Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:

Provided further that this clause shall not apply in relation to a connected person referred to in clause(iii) of *Explanation I*];

(e) is disqualified to act as a director under the Companies Act, 2013 (18 of 2013):

Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of *Explanation I*;

(f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;

(g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code: Provided that this clause shall not apply if a preferential transaction, undervalue transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

(h) 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;

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

(j) has a connected person not eligible under clauses (a) to (i).

Explanation [I]. — For the purposes of this clause, the expression "connected person" means—

(i) any person who is the promoter or in the management or control of the resolution applicant; or

(ii) any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or

(iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii):

Provided that nothing in clause (iii) of *Explanation I* shall apply to a resolution applicant where such applicant is a financial entity and is not a related party of the corporate debtor:

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

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

(a) a scheduled bank;

(b) any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding;

(c) any investment vehicle, registered foreign institutional investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the

meaning assigned to them in regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident

Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999 (42 of 1999);

(d) an asset reconstruction company register with the Reserve Bank of India under section 3 of the 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.]

Please Note that Section 240A of IBC, 2016 directs that:

240A. Application of this Code to micro, small and medium enterprises. –

(1) Notwithstanding anything to the contrary contained in this Code, the provisions of clauses (c) and (h) of section 29A shall not apply to the resolution applicant in respect of corporate insolvency resolution process of any micro, small and medium enterprises.

(2) Subject to sub-section (1), the Central Government may, in the public interest, by notification, direct that any of the provisions of this Code shall—

(a) not apply to micro, small and medium enterprises; or

(b) apply to micro, small and medium enterprises, with such modifications as may be specified in the notification.

Additionally, a softcopy of the EOI along with above-mentioned documents should also be mailed to neuontowerirp@gmail.com . The RP may seek any clarification and additional information or document, in addition to material on record from prospective resolution applicant for conducting due-diligence to ensure compliance w.r.t. eligibility in accordance with the applicable provisions of the Code.

It may be noted that any EOI received after 15.00.(hrs IST) on 05th September 2019 shall be rejected without any prejudice.

Process post submission of EOI

It may be noted that, pursuant to submission of Expression of Interest by the eligible prospective resolution applicant, the below mentioned process shall be followed as per the applicable time limit in accordance with the Code and the CIRP Regulations:

Sl. No	PARTICULARS	TIME LIMIT
1.	RP shall issue provisional list of eligible prospective resolution applicants to the CoC and the prospective resolution applicant who submitted the EOI	Within 10 days of the last date of submission of EOI 15 th September 2019.
2.	Any objection to inclusion or exclusion of a prospective resolution applicant in the provisional list to be made along with the supporting documents	Within 5 days of date of issue of provisional list
3.	RP shall issue request for Resolution Plan which includes Information Memorandum, Evaluation Matrix and a request for Resolution Plan to: <ul style="list-style-type: none"> • Every prospective resolution applicant in the provisional list; and • Every prospective resolution applicant who has contested the decision of the RP against its non-inclusion in the provisional list 	Within 5 days of date of issue of provisional list
4.	RP shall issue of final list of prospective resolution applicants to the CoC	Within 10 days of the last date of receipt of objections`
5.	Prospective resolution applicants in receipt of request for Resolution Plan shall submit the Resolution Plan to the RP	Within the date (specified in the request for Resolution Plan) which shall not be less the 30 days from issue of request for Resolution Plan
6.	Estimated date of submission of Resolution Plan by RP to the Hon'ble National Company Law Tribunal, Hyderabad.	19 th November 2019 (subject to permissible extensions)

Note: The RP may, with the approval of the CoC extend the time line for submission of Resolution Plans.

On receipt of the Resolution Plans from the resolution applicants, the RP shall examine each resolution plan received by him in accordance with Section 30(2) of the Code read with Regulation 37 and 38 of the CIRP Regulations. The RP shall then present such Resolution Plans which conform to requirements under Section 30(2) of the Code read with relevant provisions of the CIRP Regulations, to the CoC for their approval under the Code.

The consideration, evaluation and approval of the resolution plans submitted by the RP to the CoC is within the power of the CoC under provision of the Code and the CIRP Regulations. The CoC may separately specify evaluation/other criteria for a resolution applicant for evaluation of the resolution plans. The CoC shall have the right to approve or reject any resolution plan presented by the RP

The RP/CoC reserves the right to cancel, amend or modify the invitation without assigning any reason and without incurring any liability of whatsoever nature. Any amendment or modification shall be posted on the website of the Corporate Debtor www.sujana.com. The prospective resolution applicants are requested to regularly visit the website for updates.

RP/CoC reserve the right to withdraw the invitation for EOI and also reserve the right to disqualify any prospective resolution applicant, should it be so necessary at any stage.

No oral conversation or agreements with the RP or any official, agent, adviser or the employee of the RP or any member of the CoC shall affect or modify any terms of this invitation for EOI.

Neither any prospective resolution applicant nor any of representatives of such prospective resolution applicant shall have any claims whatsoever against the RP or any official, agent, advise or employee of the RP, or any member of the CoC or any of their directors, officials, agents or employees arising out of or relating to this invitation for EOI.

All prospective resolution applicants must read, understand and comply with all requirements under the Code or any other applicable Regulations that are in force now or that may come into force subsequently for resolution plans and all matters thereunder in relation to this invitation.

By submitting an EOI, each prospective resolution applicant shall be deemed to acknowledge that it has carefully read the entire invitation for EOI and has fully informed itself as to all existing conditions and limitations.

For any other further clarification, kindly write to neuontowerirp@gmail.com and/or to the following address:

Dr. M.S.Sankar

For neueon tower limited

Dr.M.S.Sankar

Resolution Professional

IP Reg No. Address: A1206 S&S SARVAM, 200 FEET RADIAL ROAD, PALLIKARANAI, CHENNAI 600100

E-mail: neuontowerirp@gmail.com

Date:16.-07.2019

Place: Chennai

Evaluation Matrix

	Parameter	Score Matrix		Weight	Max										
					Score										
1	<p>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 90 days from NCLT approval of the resolution plan.</p> <p>Two additional bonus points (without weightage) shall be awarded for every 1% increase in Upfront Cash over and above 35% of resolution Debt.</p>	<p>>= 35% of the resolution debt amount</p> <p>>= 30% <35% of the Resolution Debt Amount</p> <p>>= 25% <30% of the Resolution Debt Amount</p> <p>>= 20% <25% of the Resolution Debt Amount</p> <p>>= 15% <20% of the Resolution Debt Amount</p> <p>>= 10% <15% of the Resolution Debt Amount</p> <p>>= 5% <10% of the Resolution Debt Amount</p> <p>>=1% < 5% of the Resolution Debt Amount</p> <p>No Upfront Cash Requirement</p>	<p>10</p> <p>8</p> <p>6</p> <p>5</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>0</p>	200%	20										
2	<p>Cash on deferred payment basis/Assumed Term liability on Company: NPV to be arrived at tiered discount rate corresponding to the various tenors</p> <table style="margin-left: 20px;"> <tr> <td>Period</td> <td>Rate of discount</td> </tr> <tr> <td>0- 5 years</td> <td>8%</td> </tr> <tr> <td>>5- 10 years</td> <td>10%</td> </tr> <tr> <td>>10- 15 years</td> <td>15%</td> </tr> <tr> <td>> 15 years</td> <td>20%</td> </tr> </table> <p>One Additional bonus point (without weightage) shall be awarded for every 1% increase in NPV >50 %.</p>	Period	Rate of discount	0- 5 years	8%	>5- 10 years	10%	>10- 15 years	15%	> 15 years	20%	<p>>= 50% of the Resolution Debt Amount</p> <p>>= 40% <50% of the Resolution Debt Amount</p> <p>>= 30% <40% of the Resolution Debt Amount</p> <p>>= 20% <30% of the Resolution Debt Amount</p> <p>>= 10% < 20% of the Resolution Debt Amount</p> <p>>= 3% <10% of the Resolution Debt Amount</p> <p>< 3% of Resolution debt amount</p>	<p>10</p> <p>8</p> <p>6</p> <p>4</p> <p>3</p> <p>2</p> <p>0</p>	200%	20
Period	Rate of discount														
0- 5 years	8%														
>5- 10 years	10%														
>10- 15 years	15%														
> 15 years	20%														
3	<p>Equity in the company, post money to financial creditors (As a percentage of the total paid up equity of the company)</p>	<p>Expected allotment of equity (post money) as under:</p> <p>>=20% <= 24% of equity stake in the company</p> <p>>=15% <20% of equity stake in the company</p> <p>>=10% <15% of equity stake in the company</p> <p>>=5% <10% of equity stake in the company</p> <p>>=1% < 5% of equity stake in the company</p> <p><1% of equity stake in the company</p>	<p>10</p> <p>8</p> <p>6</p> <p>4</p> <p>2</p> <p>0</p>	100%	10										
4	<p>Fresh Equity Infusion for completion of project, only if the lenders are continuing.</p>	<p>>= 50% of the Resolution Debt Amount</p> <p>>= 40% <50% of the Resolution Debt Amount</p> <p>>= 25% <40% of the Resolution Debt Amount</p> <p>>= 10% <25% of the Resolution Debt Amount</p> <p>< 10% of the Resolution Debt Amount</p>	<p>10</p> <p>8</p> <p>4</p> <p>2</p> <p>0</p>	200%	20										
5	<p>Experience of Bidder / Group in Power Sector The experience of resolution applicant would be important as this entity requires specific experience and knowledge of EPC/ Generation of Power industry and the experienced person/entity will have higher possibility of successful completion and operation of the project. The score will be awarded by COC based on presentation by resolution applicant along with documentary evidences.</p> <p>One Additional bonus point (without weightage) shall be awarded for experience in Thermal power Sector]</p>	<p>Range: 0-10</p>		100%	10										

	Parameter	Score Matrix	Weightage	Max Score
6	<p>Ability to turnaround distressed companies - Managerial competence and technical abilities, key managerial personnel, track record in implementing turnaround of stressed assets etc.</p> <p>The score will be awarded by COC based on presentation by resolution applicant along with documentary evidences.</p>	Range: 0-10	100%	10
7	<p>Financial strength of Bidder / Group (Group Net Worth, Revenue, EBIDTA, AUM)</p> <p>The financial strength of applicant would be important as the corporate debtor would need huge financial support completion of the project. The score will be awarded by COC based on presentation by resolution applicant along with documentary evidences.</p>	Range: 0-10	100%	10