

CORPORATE INSOLVENCY RESOLUTION PROCESS
ESSAR STEEL INDIA LIMITED
ELIGIBILITY CRITERIA FOR POTENTIAL RESOLUTION APPLICANTS

1. For Private/ Public Limited Company/ Limited Liability Partnership (“LLP”)/ Body Corporate/ any other Potential Resolution Applicant:

- Minimum Tangible Net Worth (“**TNW**”)/ Net Owned Funds (“**NOF**”) of Indian National Rupee (“**INR**”) 30 Billion at the Group Level in the immediately preceding completed financial year
- TNW/NOF 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 reserves created out of revaluation of assets, write back of depreciation and amalgamation
- Group may comprise of entities either controlling or controlled by or under common control with the Potential Resolution Applicant. Control means at least 26% ownership

2. For Financial Institution/ Investment Company/ Fund House/ Private Equity (“PE”) Investor/ Non Banking Financial Company (“NBFC”)/ Asset Reconstruction Company (“ARC”):

- Minimum Assets Under Management (“**AUM**”) of INR 30 Billion in the immediately preceding completed financial year; or
- Minimum committed funds (“**Committed Funds**”) available for investment/ deployment in Indian companies or Indian assets of INR 20 Billion in the immediately preceding completed financial year

3. For Consortium Potential Resolution Applicant:

- Consortium Potential Resolution Applicant must also satisfy eligibility criteria pertaining to minimum TNW/NOF/AUM/Committed Funds as applicable in addition to other conditions stipulated herein
- In case the consortium is of Private/ Public Limited Companies/ LLPs/ Body Corporates/ any other Potential Resolution Applicants, TNW/NOF of the consortium shall be calculated as weighted average of individual member’s TNW/NOF. Provided that only such portion of their TNW/NOF as is proportionate to their shareholding in the consortium will count towards the eligibility criteria of TNW/NOF
- In case the consortium is of Financial Institutions/Investment Companies/ Fund Houses/ PE Investors/ NBFCs/ ARCs/ any other Potential Resolution Applicants, the minimum AUM of consortium shall be calculated as weighted average of individual member’s AUM **or** Committed Funds available for investment/ deployment in Indian companies/Indian assets shall be calculated as weighted average of individual member’s Committed Funds for investment/ deployment in Indian companies/Indian assets. Provided that only such portion of their AUM/ Committed Funds as is proportionate to their shareholding in the consortium will count towards the eligibility criteria of AUM/ Committed Funds
- Incorporation of an Indian limited company shall be mandatory to enter into definitive agreements post submission and approval of resolution plan

4. Other Conditions:

- Further conditions/criteria including control, lock-in restrictions, other eligibility conditions and evaluation criteria for the resolution plans at the sole discretion of Committee of Creditors (“CoC”) may be stipulated in the documents which will be provided to Potential Resolution Applicants in due course
- Potential Resolution Applicant must be a fit and proper person not under any legal disability to be a promoter under the applicable laws
- Potential Resolution Applicant shall submit certified copies of financial statements, proof of address, incorporation documents, copy of PAN card/ Tax identification number and documents certifying the above-mentioned criteria (Auditor/ Chartered Accountant Certificate for Private/ Public Limited Company/ LLP/ Body Corporate/ any other Potential Resolution Applicant; and Management Certificate for Financial Institution/ Investment Company/ Fund House/ PE Investor/ NBFC/ ARC). In case of consortium, each member of the consortium has to submit these documents
- Resolution Professional (“RP”) may seek additional information from the Potential Resolution Applicants, if required, including as directed by the CoC
- Potential Resolution Applicants are encouraged to submit their expressions of interest along with the documents satisfying the eligibility criteria and confidentiality undertaking (as per the format available on the website www.essarsteel.com) at the earliest to start receiving the information memorandum and other relevant information

5. Other Matters:

- Potential Resolution Applicants may also please note that the Hon'ble National Company Law Tribunal, Ahmedabad (“NCLT”) in its orders dated 2nd August 2017 has observed the following:

“The Committee of Creditors may take into consideration the Debt Restructuring Process between Corporate Debtor and the Lenders, if proposed by Resolution Applicant subject to approval of the Committee of Creditors as per the provisions of the Code, Rules and Regulations in force.”

The RP, acting on the instructions of the CoC and in accordance with the provisions of India’s The Insolvency and Bankruptcy Code, 2016 (“IBC”) and the rules and regulations thereunder, reserves the right to cancel or modify the process/criteria without assigning any reason and without any liability whatsoever.