

RATHI SUPER STEEL LIMITED
(In CIRP)

MINIMUM ELIGIBILITY CRITERIA
For Resolution Applicants

The following are the Minimum Criteria for the prospective Resolution Applicants of the corporate debtor, Rathi Super Steel Limited, as approved by Committee of Creditors in their Meeting dated 06th August, 2019.

- The *Net Worth** of the Resolution Applicant(s) as at 31-03-2019 shall be a minimum of INR 10 Cr. In case of Resolution Applicant(s) being Asset Reconstruction Company, the Asset under Management (AUM) shall be Rs. 100 Cr. as on 31.03.2019.
- Along with the Expression of Interest (EoI) the prospective Resolution Applicant shall provide an Earnest Money Deposit (EMD) of Rs. 10 Lacs, refundable within 7 days of the preparation of the final list of eligible applicants, if the applicant's name is not included in the final list. The amount of EMD shall be submitted along with the EoI by way of demand draft / pay order of a scheduled bank in favour of the Corporate Debtor, "*Rathi Super Steel Limited (CIRP Account)*" payable at par with all branches in India.
- Along with the Resolution Plan, the prospective Resolution Applicant shall remit a minimum outright payment equivalent to at least 01% of the total financial offer price including the future payments, refundable if Resolution Plan is not accepted, by way of demand draft / pay order in favour of the Corporate Debtor "*Rathi Super Steel Limited (CIRP Account)*" payable at par with all branches in India.
- On the approval of the resolution plan by CoC, the successful prospective resolution applicant shall immediately submit a DD/PO/BG equivalent to 10% of the amount of the Resolution Plan proposed by him/her.
- After the Resolution Plan is approved by the Adjudicating Authority, the Resolution Applicant will have to deposit 14% of the Resolution Plan within one month from the order of approval of Resolution Plan by the Adjudicating Authority.

Industry Experience:

The prospective Resolution Applicants having an experience of at least 1 years in the steel and iron industry, would be preferable.

* As per Sec. 2(57) of Companies Act, 2013, "*Net worth*" means the aggregate value of the 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, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Note:

It would be mandatory for prospective resolution applicants to submit the following documents on or before **26th November, 2019** through speed/registered post or by hand delivery.

The envelope containing the Resolution Plan and documents shall be securely closed and sealed and shall be addressed to the Resolution Professional with complete address written thereon and also writing at the top of the envelope in capital letters, "**RESOLUTION PLAN FOR RATHI SUPER STEEL LIMITED (IN CIRP).**"

Complete Address:

Harish Chander Arora
Resolution Professional
Resurgent India Ltd
Unitech Business Zone, 903-906, 09th Floor,
The Close South, Sector 50,
Gurugram (Haryana)- 122018
Email Id: cirp.rathisupersteel@gmail.com

MANDATORY INELIGIBILITY CRITERIA OF PROSPECTIVE RESOLUTION APPLICANTS

UNDER SECTION 29 A TO THE EXTENT APPLICABLE / OTHER PROVISIONS

E-1 GENERAL: In this document, the Code shall mean the Insolvency and Bankruptcy Code, 2016 and the CIRP Regulation shall mean the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, as amended up to date and as applicable to the CIRP under consideration.

E-2 CLAUSE (h) OF SUB-SECTION (2) OF SECTION 25 OF THE CODE:

Section 25 (2) (h): For the purpose of sub-section (1) the resolution professional shall undertake the following actions, namely:- Invite prospective resolution applicants, who fulfil such criteria as may be laid down by him with the approval of committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plan or plans.

Sub-section (1) of section 25 states that it shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.

E-3 SECTION 29 (A) OF THE CODE: [PERSONS NOT ELIGIBLE TO BE RESOLUTION APPLICANT]

A person shall not be eligible to submit a resolution plan if such 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 nonperforming 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 1 - For the purpose 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 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. of two years or more under any Act specified under the Twelfth Schedule; or

ii. for seven years or more under any other 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 further that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation 1;

(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, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

(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 the 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.

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 last working day that precedes the date of the EOI.