

DRAFT ELIGIBILITY CRITERIA FOR QUALIFYING AS RESOLUTION APPLICANT

(a) Category A – In case of an individual

- Minimum tangible net-worth of INR 20 crores as per the Income Tax return for the FY 2019-20 and as certified by a practicing Chartered Accountant.

(b) Category B - In case of a Private/Public Limited Company, LLP, Body Corporate incorporated in India:

- Minimum tangible net worth (TNW) of INR 35 crores at the group level as per the audited balance sheet for the FY 2019-20;
- Tangible Net Worth shall be 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 revenue expenditures and miscellaneous expenditure not written-off. The reserves do not include capital reserves created out of revaluation of assets and write back of depreciation and amalgamation;
- The entities shown as part of Group must have either the controlling interest over or controlled by or under common control with the Prospective Resolution Applicant ("PRA"). Control means at least 26% ownership. The entities must have been part of the Group for at least 3 years.

(c) Category C - In case of Financial Investors (FI) / Mutual Funds / Private Equity / Venture Capital Funds / Domestic/ foreign Investment institutions, NonBanking Finance Companies (NBFC), Asset Reconstruction Companies, Banks and similar entities:

- Total assets under Management (AUM) / Loan Portfolio shall be at least INR 250 crores at the end of the Financial Year 2019-20, or
- The committed funds available for investment /deployment in Indian companies or Indian assets of INR 200 Crore at the end of the Financial Year 2019-20;
- FI here means the FI as defined under Section 45 I (c) of RBI Act and NBFC here means the NBFC as defined under Section 45 I (f) of RBI Act.

(d) Category D - In case of bidding as a consortium:

- PRA may be a "Consortium". Consortium shall mean any person acting together with another person as a consortium/joint bidder or joint venture (whether incorporated or not) for the purpose of submission of the EoI and Resolution Plan in respect of the Corporate Debtor;
- Lead member must hold at least 25% equity in the consortium;
- All members of the Consortium shall have positive TNW at the end of FY 2019- 20. In case any member has negative net worth as at 31.03.2020, the Consortium shall not be eligible;
In case of consortium of individuals, TNW shall be calculated based on weighted average of their respective net worth i.e. the aggregates of such portions of their TNW, as is proportionate to their shareholding in the consortium, will count towards the qualification criteria of TNW under this EoI. The Consortium per-se should satisfy condition of category A;
- In case the consortium is of body corporates, TNW of consortium shall be calculated based on their weighted average i.e. the aggregates of such portions of their TNW as is proportionate to their

shareholding in the consortium, will count towards the qualification criteria of TNW and turnover under this EoI. The consortium per-se should satisfy condition of Category B;

- In case the consortium is of FIs/Funds/PE Investors/NBFCs/Any other applicants, AUM / Loan Portfolio of consortium shall be calculated based on their weighted average i.e. the aggregate of such portions of their AUM/Loan Portfolio as is proportionate to their shareholding in the consortium will count towards the qualification criteria of AUM/Loan Portfolio. Similarly, the committed funds available for investment/deployment in Indian companies or Indian assets shall be based on their weighted average i.e. the aggregate of such portion of their committed funds available for investment /deployments in Indian companies or Indian assets as is proportionate to their shareholding in the consortium will count towards the qualification criteria of committed funds. The consortium per-se should satisfy condition of Category C;
- If members are from Category A & B, the criterion applicable to the individual members will be the criterion as applicable to the category it belongs as recalculated based on its share in the consortium i.e. each consortium member will satisfy the criterion applicable to its category as multiplied by its share in the consortium;
- If members are from Category B & C, the criterion applicable to the individual members will be the criterion as applicable to the category it belongs as recalculated based on its share in the consortium i.e. each consortium member will satisfy the criterion applicable to its category as multiplied by its share in the consortium;
- If members are from Category A & C, the criterion applicable to the individual members will be the criterion as applicable to the category it belongs as recalculated based on its share in the consortium i.e. each consortium member will satisfy the criterion applicable to its category as multiplied by its share in the consortium;
- If members are from Category A, B & C, the criteria for TNW / AUM would again be based on share of a particular member in the consortium i.e. it will be in proportion to their shareholding in the consortium. The consortium members belonging to Category A, Category B and Category C should independently satisfy the criteria for Category A, Category B and Category C as recalculated bases on their share in the consortium;
- No change in lead member or any member whose financials have been used to meet the criteria set out herein shall be permitted after the last date for submission of EoI.

(e) Category E – Registered Association/society or consortium of registered associations/societies of unit-holders/allottees of the Project of the Corporate Debtor or Consortium formed by registered association(s)/society(s) with any other individual(s) or private/public limited company(s) or LLP(s) (including Partnership firms) or body corporate(s) incorporated in India.

- The registered Association/society means a registered Welfare Association/society having at-least 150 members of the both the classes of financial creditors (whose claims have been admitted by the RP) of the CD or one third of the number of both the classes of financial creditors (whose claims have been admitted by the RP) of the

CD, whichever is higher. The minimum numbers as prescribed above shall be the criteria for the said Association(s) / Society(ies)

- In case of consortium of registered association/society with any other individual(s) or private/public limited company(s) or LLP(s) or body corporate incorporated(s) in India, the criterion applicable to registered association / society will be as stated above and that the criterion applicable to the other member of Consortium will be the criterion as applicable to the category it belongs as recalculated based on its share in the consortium.

“Additional Notes

Qualifications relating to net-worth/turnover would not be applicable to registered association(s)/society(ies) or consortium of association(s)/society(ies)

For all categories (except Category A and Category E), the Prospective Resolution Applicant should be a profit-making entity/company for last three financial years for **FY 2017-18, 2018-19 and 2019-20** per audited annual accounts.

In case, however, the audited balance sheet for **FY 2019-20** is not yet prepared by the entity/company, the eligibility criteria shall be based on audited balance sheet for FY 2018-19 and that the requirement as to the PRA being a profit-making entity/company for the three financial years shall apply to **FY 2016-17, 2017-18 and 2018-19.”**