

EXPRESSIONS OF INTEREST - MONNET ISPAT & ENERGY LIMITED

Updated- September 21, 2017

1. Introduction

Monnet Ispat & Energy Limited. (the “**Company**”) owns an Integrated Steel Plant facility of 1.5 MMTPA along with associated facilities including 0.80 MMTPA Sponge Iron, 2 MMTPA Pellet Plant, 0.95 MMTPA Sinter Plant and 230 MW Captive Power Plant in the state of Chhattisgarh. The Company also owns 7.5 MMTPA coal beneficiation facilities in state of Chhattisgarh and Odisha.

Company recorded net sales of Rs.1375 crore (approx.) for the year ending March 31, 2017.

Corporate Insolvency Resolution Process (“**CIRP**”) has been initiated with regard to MIEL as per the provisions of Insolvency and Bankruptcy Code (IBC) 2016. Under the order of National Company Law Tribunal (“**NCLT**”), the insolvency commencement date under the IBC is July 18, 2017.

Committee of Creditors (“**CoC**”) through Resolution Professional (“**RP**”) is in process of identifying resolution applicant(s) for MIEL. Hence, RP on behalf of CoC invites Expressions of Interest (“**EoI**”) from investors/consortium of investors having adequate financial capability to submit resolution plan for MIEL under CIRP.

Interested applicants may submit the EOI as per the format given in the process document by 5:00 p.m. on Monday, September 25, 2017 by emailing it at IRP.Monnet@IN.GT.COM or hand delivering it in a sealed envelope to Mr. Sumit Binani, Resolution Professional, Commerce House, 4th Floor, Room No. 6, 2A, Ganesh Chandra Avenue, Kolkata-700 013

2. Transaction Process

The transaction process shall be completed in two stages, brief of which is discussed hereunder

Stage I

- Submission of EoI by interested Resolution Applicants (RAs)
- Shortlisting of RAs by CoC

Stage II

- Access to data room for due diligence by RAs
- Submission of Resolution Plan(s) by RAs

3. The Qualification Criteria for the proposed transaction is as under:

Further conditions/criteria including control, lock-in restrictions and other eligibility conditions at the sole discretion of RP/CoC may be stipulated in the request for proposal document to qualified Ras.

The applicant must be a 'fit and proper' person not under any legal disability to be a promoter under the applicable laws including listing agreement and SEBI regulations and guidelines.

✓ **In case of Body Corporate/Non-banking financial company (NBFC*):**

- Private/ Public Ltd. Company, LLP, NBFC, Body Corporate whether incorporated in India or outside with minimum Tangible Networth / Net Owned Funds (for NBFCs) ("TNW") of Rs. 500 Crore (as per Companies Act, 2013 or, in case of NBFCs, applicable RBI Regulations) in the immediately preceding completed financial year.

** NBFC as defined under Section 45-I(f) of RBI Act*

Note: Networth to be certified by Auditor/ Chartered Accountant

✓ **In case of Financial Institutions (FI*)/ Funds / Private Equity (PE) Investors/Any other applicant:**

- Minimum Asset Under Management (AUM) of Rs. 2000 Crore in the immediately preceding completed financial year, OR
- Committed funds available for investment/deployment in Indian companies or Indian assets of Rs. 1000 Crore or more in the immediately preceding completed financial year.

** FI as defined under Section 45-I(c) of RBI Act*

Note 1: Management shall certify the same in addition to submission of supporting documents.

Note 2: Above mentioned qualification criteria (financial threshold) shall not be applicable to the EoI received from the existing promoters of the Company / corporate debtor as per the deliberations in the CoC meeting.

✓ **In case of bidding as a consortium:**

- Lead member must hold at least 51% equity in the consortium. All other members would need to have a minimum stake of 20% each in the consortium.
- In case the consortium is of body corporates, TNW of consortium shall be calculated as weighted average of individual member's TNW (value of negative TNW members shall be considered as Nil). Provided that only such portion of their TNW as is proportionate to their shareholding in the consortium will count towards the qualification criteria of TNW under this EoI.
- In case the consortium is of FIs/Funds/PE Investors/NBFCs/Any other 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 shall be calculated as weighted

average of individual member's committed fund to investment/deployment in Indian companies. Provided that only such portion of their AUM/Committed Funds as is proportionate to their shareholding in the consortium will count towards the qualification criteria of AUM/Committed Funds under this EoI.

- 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.
- Incorporation of Indian SPV (in the form of a company) shall be mandatory to enter into definitive agreements post submission of binding bid/proposal.

[On the Letterhead of the Entity Submitting the EoI]

EXPRESSIONS OF INTEREST

Date: _____

To,

Mr. Sumit Binani, Resolution Professional Monnet Ispat and Energy Limited Commerce House, 4th Floor, Room No. 6, 2A, Ganesh Chandra Avenue, Kolkata-700 013 India
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Subject: Expressions of Interest (“EoI”) – for submission of Resolution Plan of “MIEL” or “Company” under Corporate Insolvency Resolution Process (CIRP).

Dear Sir,

In response to the advertisement in [*Insert the names of the newspaper and/or website*] dated [•] inviting expressions of interest as captioned above (“**Advertisement**”), we hereby submit an EoI for the submission of resolution plan under CIRP initiated with regard to MIEL.

We have also set out the following:

- (a) information required in the format prescribed as an Annexure to this EoI;
- (b) the qualification certificate substantially in the format prescribed by you (“**Qualification Certificate**”); and

We undertake that the information furnished by us in this EoI, the Annexure and the Qualification Certificate is true, correct, complete, and accurate. Further, we agree and acknowledge that:

- (a) the EoI will be evaluated by the RP/the Committee of Creditors (“**CoC**”) of MIEL based on the information provided in the Annexure and the Qualification Certificate to determine whether we qualify to submit a proposal for the proposed transaction;
- (b) the RP/the CoC reserve the right to determine at their sole discretion, whether or not we qualify for the submission of the proposal and may reject the EoI submitted by us without assigning any reason whatsoever;
- (c) the RP/the CoC reserve the right to request for additional information or clarification from us for the purposes of the EoI and we shall promptly comply with such

requirements. Failure to satisfy the queries of RP/CoC may lead to rejection of our submission pursuant to EoI.

- (d) Meeting the qualification criteria set out in EoI alone does not automatically entitle us to participate in the next stage of the bid process.
- (e) We will be continue to meet the eligibility criteria though out the bid process, any change in consortium other than lead/qualifying member or any material adverse change affecting the consortium members ability to perform in consortium shall be intimated within 3(three) business days to the CoC/RP immediately
- (f) In case of consortium, we would comply with the eligibility criteria pertaining to equity holding i.e we will hold atleast {51%/20%} equity in the SPC that will also be incorporated in the Joint Bidding Agreement (undertaking to be signed by /on behalf of each member of consortium by authorized signatories.
- (g) The applicant is 'fit and proper' person not under any legal disability to be a promoter entity of the Company under the applicable laws including listing agreement, stock exchange requirements and SEBI regulations and guidelines.

Sincerely yours,

On behalf of [*Insert the name of the entity submitting the EoI*]¹

Signature: _____

Name of Signatory:

Designation:

Company Seal/Stamp

¹ Note: The person signing the EoI and other supporting documents should be an authorised signatory supported by necessary board resolutions

Annexure

[Note: In case of joint EoIs, the details set out below are to be provided for each of the entities / groups submitting each joint EoI.]

1. Name and Address:

- a. Name of the Firm/Company/Organisation:
- b. Address:
- c. Telephone No:
- d. Fax:
- e. Email:

2. Date of Establishment:

3. Core Area of Expertise:

4. Contact Person:

- a. Name:
- b. Designation:
- c. Telephone No:
- d. Email:

5. Company/FI Profile:

- a. Company Financial Profile (consolidated / standalone as applicable):
[Note: The Company profile should necessarily include net worth and revenue numbers of the preceding three years. Where the entity submitting the EoI is a financial investor / fund entity, please provide details pertaining to "assets under management" and/or "committed funds" for the preceding five years or the committed funds available as on March 31, 2017, for investment. Further the fulfillment of qualification criteria must be clearly identified/certified herein.]
- b. Experience of the Company in the relevant sector:
- c. History if any, of the Company or affiliates of the Company being declared a 'willful defaulter', 'non-cooperative borrower', 'non-impaired asset' or 'non-performing asset'.

(On the Letterhead of the Bank/ Entity Issuing the Certificate)

Private & Confidential

Ref no: [*Insert reference number*]

Date:

To,

Mr. Sumit Binani,
Resolution Professional,
Commerce House, 4th Floor, Room No. 6, 2A,
Ganesh Chandra Avenue, Kolkata-700 013
India

QUALIFICATION CERTIFICATE

We the [*insert name of the issuing entity*] do hereby certify that [*insert name of the relevant entity*] incorporated in [*insert jurisdiction of incorporation of entity*] having their registered office at [*insert registered address of the entity*] ("**Resolution Applicant**")² are meeting the qualification criteria as required for submission of EoI vide advertisement dated ---- .

For [Resolution Applicant]

Authorised Signatory

² To be provided for each entity involved in the joint bid, if any.