

## ANNEXURE 'B'

### ELIGIBILITY CRITERIA

The PRAs must satisfy the following eligibility criteria, as approved by the Consolidated CoC for SEFL & SIFL (“**Consolidated COC**” or “**COC**”) in accordance with Section 25(2)(h) of the Code to be eligible for shortlisting for next stage of the process. The Eligibility Criteria is as follows.

All PRAs may exercise the following option, and submit EOIs as per the below guidelines:

#### **Submission of EOI for SEFL & SIFL as a going concern**

PRAs are invited to submit EOIs for resolution of SEFL & SIFL as a going concern in Group Insolvency. EOIs for selective assets will not be accepted.

#### **Notes**

- a. The Administrator (acting on the instructions of the COC) and the COC reserve the right to issue fresh invitation for EOI/make revisions to the IEOI, including in accordance with the CIRP Regulations.
- b. PRAs may submit an EOI whether individually or as part of a consortium as further set out below:

#### **All PRAs need to satisfy the following criteria:**

1. For Private/ Public Limited Company/ Limited Liability Partnership (“LLP”) / Body Corporate/ any other PRAs (which is not a financial entity) (“**Category I**”):
  - a. Minimum Tangible Net Worth (“TNW”) shall be Rs. 1,000 cr.
  - b. TNW shall be in an individual capacity or at the Group Level in the immediately preceding completed financial year.
  - c. TNW 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.
  - d. Group may comprise of entities where each such entity is either controlling or controlled by or under common control with the PRA. Control means at least 26% ownership. The entities must have been part of the Group for at least 3 years.

2. For Financial entities including Investment Co./ Asset Management Co./ Alternative Investment Fund (AIF)/ Fund House/ Private Equity (“PE”) Investor/ Non-Banking Financial Co. (“NBFC”)/ or any other eligible entities (“Category II”):
  - a. The PRAs shall, in the immediately preceding completed financial year, have the minimum Asset under Management (AUM) of Rs. 4,000 cr
  - b. AUM is defined as “total funds deployed” or “total value of loan book / instruments”
  - c. PRAs may rely on their Group’s AUM for complying with the above. Group may comprise of entities where each such entity is either controlling or controlled by or under common control with the PRA. Control means at least 26% ownership and in relation to AIF/Private Equity Investor and similar eligible funds, shall comprise of the sponsor / anchor investor holding the majority contribution in such PRA, and controlling the management of the fund either through equity or through terms of investment decisions.
  
3. For PRAs under a consortium – under both (1) and (2) above:
  - a. A consortium cannot have more than 5 members. The EOI must list the members of the consortium and the Lead Partner.
  - b. Members of the consortium shall nominate and authorize one of the members of the consortium as the “Lead Partner” to act on behalf of the consortium (and for each of them as members of the consortium). It is mandatory for each consortium to designate a Lead Partner at the time of submission of the EOI.
  - c. Such Lead Partner shall be the single point of contact on behalf of the consortium with the Administrator and the COC, their representative and advisors in connection with all matters pertaining to the consortium.
  - d. The Lead Partner shall (i) hold at least 26% of the total equity participation / economic interest / controlling rights in the consortium; and (ii) shall be the single largest shareholder with controlling stake of not less than 26% ownership in the Corporate Debtors pursuant to the resolution plan.
  - e. No change of members of consortium shall be permitted post submission of EOI (except with prior approval of the COC). The CoC may consider any request for change in the consortium member provided that the proposed consortium member is not an entity ineligible under Section 29A of the Code. Notwithstanding anything to the contrary set out herein, no change in the Lead Partner shall be allowed.
  - f. Lead Partner of consortium must individually satisfy the criteria mentioned in point 1 or 2 above, as the case may be, and together with the other members of the consortium should be eligible as per other requirements of the Code (including Section 29A of the Code), FSP Rules, IEOI and RFRP. All the members of the consortium shall be jointly and severally responsible for compliance with the terms of the IEOI and process thereafter.

- g. The consortium shall submit the copy of consortium agreement, if any, entered into between the consortium members, and such consortium agreement should not be in violation of the terms of the IEOI and subsequent RFRP and the process.
- h. If an entity has submitted an EOI, then such entity cannot be a part of any other consortium participating in the Group Insolvency of the Corporate Debtors as a PRA/ resolution applicant. Similarly, the members of the consortium shall not be allowed to become PRA outside the consortium or to become part of more than one consortium.

**Other Conditions**

- Participation in the resolution process (including any conditions in relation to control/lock-in restrictions etc.) of eligible PRAs shall be solely in accordance with the provisions of law and the RFRP which will be issued in due course in accordance with the Code and CIRP Regulations.
- PRA must be a fit and proper person and must not be under any legal incapacity to submit an EOI or assume any legal or beneficial interest in SEFL & SIFL or any of its Groups.
- PRAs shall promptly submit such additional information as may be if required by the Administrator or the COC.