

REQUEST FOR BID (RFB)

FOR SALE/ASSIGNMENT OF FINANCIAL ASSETS

OF

MITTAL CORP LIMITED

TO

ARCS/NBFCS/FIS/BANKS OR ANY OTHER PERMITTED TRANSFEREE

DISCLAIMER AND IMPORTANT NOTICE

This document shall be referred to as the Bid Process Document (BPD) for Sale/ Assignment of Debt of Mittal Corp Ltd. to the consortium of lenders (viz. Punjab National Bank, IDBI Bank, State Bank of India, Union Bank of India, Central Bank of India, Indian Bank, Canara Bank, Bank of Maharashtra and Exim Bank) led by Punjab National Bank ("PNB" or "Lead Bank"). PNB Investment Services Limited (PNBISL), has been mandated by PNB on behalf of consortium lenders, to assist & advise the Lenders on the bid process & matters incidental thereto in connection with sale/ assignment of debt of Mittal Corp Ltd. (MCL) under Swiss Challenge Method.

*The purpose of this BPD is to provide information to prospective bidders/transferees ("**Bidders**") in respect of the sale/ assignment of Debt of Mittal Corp Ltd. (MCL) to ARCs/Banks/NBFC/FIs and the process to be followed in respect to the same.*

It is presumed and understood that by participating in this process, each of the Bidders has carried out / will carry out their own independent due-diligence and assessment in respect of any or all matters, information, statements, etc. covered or sought to be covered or contained in this BPD and any information or documents that may be provided by PNBISL during the course of the process pursuant to this BPD. Bidders should form their own views as to whether information provided herein or any information that may be provided by PNBISL separately is relevant to any decisions that they take and should make their own independent assessment in relation to any additional information that they may require.

Bidders must note that the sale/ assignment of Debt of MCL will be on an "as is where is", 'as is what is' and on a 'without recourse' basis and under the Swiss Challenge Method in terms of RBI/ IBA guidelines, as amended from time to time. Completion of the sale and purchase of the Debt shall be at the sole discretion of the Consortium Lenders irrespective of whether base bids, counter bids have been received or whether a winning bid has been declared, subject to the extant RBI guidelines.

*Bidders should note that they must have the capacity and be legally competent to enter into and conclude the transaction for purchase of debt of MCL in compliance with all applicable laws, including all regulations, directions and guidelines framed by the Reserve Bank of India ("**RBI**") in this regard from time to time.*

The information contained in this BPD or any other information which may be provided to Bidders is subject to change without prior notice. PNB/ PNBISL may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information contained herein including the envisaged sale process mentioned hereunder.

I. GENERAL INFORMATION:

- This Request for Bid (RFB) is for sale/assignment of Financial Asset of Mittal Corp Limited, and it meant for use of only interested parties. Unauthorized reading, dissemination, distribution or copying of this RFB is prohibited.
- By this RFB, Punjab National Bank (PNB) requests eligible Asset Reconstruction Companies (ARCs), Banks and Non-Banking Finance Companies (NBFCs)/ Financial Institutions (FIs), any other Permitted transferee hereafter called as bidders, Eligible to bid for the said Non-Performing Asset.
- Punjab National Bank would consider the transfer of specific Non-Performing Asset in terms of RBI/ IBA guidelines for sale of Non-Performing Assets by Banks to Asset Reconstruction Companies/Banks/Non-Banking Finance Companies/Financial Institutions (FIs).
- PNB has absolute and unimpeachable right with respect to all the matters starting from receiving, considering, accepting the bid or transferring the specific Non-Performing Asset and such right without limitation encompasses right not to receive, not to consider, not to accept the bid and decide not to transfer the specific Non-Performing Asset. PNB would not entertain any claim from any bidders in this regard.
- Bidders or any of its employees, consultants, representatives, agents and such other person authorized to represent ARCs/NBFCs/BANKs/FIs (authorized persons) should not without written consent of PNB/PNBISL contact, seek or attempt to seek any information regarding the Specific Non-Performing Asset from any person including the borrowers/guarantors. Nor should the bidders or its authorized person use the data or information provided by Bank to solicit any business from any person including the borrowers/guarantors.
- All requests for information, clarifications and questions shall be with respect to the specific Non- Performing Asset shall be addressed to PNB/PNBISL and its authorized officers.
- The information provided under this document and at the Data room is provided in good faith and as available in the records of the Lenders. The opinion, if any, of the Lenders and its officials regarding the accuracy, adequacy and sufficiency of the data has been formed on the basis of records as a person of ordinary prudence and does not represent an opinion of an expert. Lenders/PNBISL do not give any warranty of accuracy or correctness of the information. The bidders are urged to conduct their own due diligence, investigation and analysis to arrive at their decisions regarding the above.
- Each bidder and its representatives must agree to comply with the terms of Non- Disclosure Agreement (NDA) executed/to be executed between the Bank and ARCs/NBFCs/BANKs/FIs.

II. Details of the Asset and Company:

M/S. Mittal Corp Ltd. is a closely held public limited company incorporated on 5th July 1985 as Jewel Seamless Limited. The Company was later renamed to Mittal Corp Limited with effect from December 16th, 2008. The present management took over the Company during 2002 and revamped with a new facility to produce billets & flats of various grades of Stainless Steel, Mild Steel, and Alloy Steel, which are used to manufacture a wide range of products.

The Company is involved in manufacturing of Mild Steel, Stainless Steel-Billets, Flats for Rolling, Wire Rod, MS Rounds, Quenched & Tempered Rod & Bar, Hot Rolled Deformed Bars, TMT bars etc. The Company operates 2 units for producing various grades of Stainless Steel / Alloy Steel products in Pithampur, Madhya Pradesh:

Unit	Product	Units	Capacity
Unit I	Stainless / Alloy / Mild Steel Billets	TPA	120,000
Unit II	Stainless / Alloy / Mild Steel Wire Rod & Bar	TPA	150,000

The project was financed by the Consortium Lead by Punjab National Bank, IDBI Bank, SBI, Union Bank of India, Central bank of India, Indian bank, Canara Bank, bank of Maharashtra, EXIM Bank and ACRE (United Bank and Indian Bank's asset acquired).

Present Status:

An application under section 7 of the Insolvency and Bankruptcy Code, 2016 was filed by PNB against Mittal Corp Ltd. This application was admitted by the NCLT on 10.11.2021 and Corporate Insolvency Resolution Process (CIRP) pertaining to Mittal Corp Ltd. were initiated. During the CIRP, a few resolution plans were received and were put under Swiss Challenge in August 2022. Meanwhile one of the bidders approached the NCLT to permit change in plan for the 3rd time as against the IBBI regulation 36(B) read with regulation 39(1A) and (1B) which directs that the resolution plan cannot be revised more than once. NCLT allowed the bidder to revise their plan. Against this NCLT order other bidders filed application and appeal in NCLAT and the matter is still under process.

Consortium Lenders:

Banks/FIs	Admitted Claim in NCLT	Share %
Punjab National Bank	499.08	31.44%
IDBI Bank	181.50	11.43%
State Bank of India	171.81	10.82%
Union Bank of India	148.41	9.35%
Central Bank of India	103.38	6.51%
Indian Bank	99.42	6.26%
Canara Bank	96.00	6.05%
Bank of Maharashtra	59.02	3.72%
EXIM Bank	55.93	3.52%
Sub Total	1,414.55	89.10%
ACRE	173.00	10.9%
Total	1587.55	100%

Above Consortium Lenders having total claim of Rs.1414.55 crores excluding ACRE, have received an Anchor Bid for the Transaction of Purchase and Acquisition of Financial Assets of Mittal Corp Ltd for a Base Price of Rs.228.42 Crores (Details in Point No. IV under Base Price).

All consortium of lender Bank's excluding ACRE has decided to run Swiss Challenge process on the offer received from Anchor Bidder for purchase of Financial Assets pertaining to facilities availed by Mittal Corp Limited.

III. Eligibility Criteria for the BID

Eligible participants such as ARCs/NBFCs/FIs/Banks etc. shall be duly registered under the applicable laws & mandated by RBI/SEBI and eligible for purchase of identified stressed asset/ Non-performing assets (NPA) of Mittal Corp Ltd, having fulfilled the following criteria:

- All Asset Reconstruction Companies (ARCs) registered with RBI
- Other Permitted Transferees such as NBFCs/FIs/Banks or any other permitted Transferee should have Net worth of Rs.30.00 crores as per their latest Audited Balance Sheet i.e.; 31st March 2022.

(Net worth shall mean Paid up Share capital + Reserves & Other Equity – Intangible Assets)

None of the transferees or their participants (being a source of funds for the bid) shall be a person disqualified in terms of Section 29A of the Insolvency and Bankruptcy Code, 2016.

Access to data room shall be provided only after eligible participants are selected and NDA is executed.

IV. Details of Base Offer (Anchor Bid):

<p>Financial Assets</p>	<p>(i) All debt and receivables owed to the Lenders and all Claims and rights of the Lender under or in relation to the Facilities (including all amounts outstanding in relation to the Facilities under the Facility Documents, whether as principal, interest, redemption/prepayment premium, default interest, any other costs, indemnities, expenses, amounts, payments and/or fees or otherwise but shall exclude any undisbursed commitment of the Lender under the Facility Documents)</p> <p>(ii) All Security interest, contractual, undertakings/comforts, assurances, credit enhancements and guarantees created or provided by the borrower or any third party in favour of or for the benefit of the Lenders (including any exclusive security created in favour of any of the Lenders)</p> <p>(iii) All rights, claims and interest (including beneficial incidental and ancillary rights and claims) and actionable claims, whether existing, future, accruing, conditional or contingent, in respect of such debt or receivables</p> <p>(iv) Without prejudice to the generality of the foregoing, the rights and claims of the Lenders under the resolution plan/settlement agreement and any related documents in relation to the Facilities.</p> <p><i>Note: All Financial Assets, Collateral Securities, Corporate Guarantees, Personal Guarantees and Pledged equity of Company are proposed to be transferred. Equity owned by the lenders against the conversion of debt during SDR will not be transferred.</i></p>
<p>Cut-Off Date</p>	<p>06.07.2022</p>

	<p>The Lenders shall not receive any amounts pertaining to the Financial Asset, or any part thereof, after the Cut-off Date.</p> <p>In case, any such amount is received by the Lenders after the Cut-off Date, it/they shall hold all such amounts, as the case may be, free of any set-off or counterclaim, in trust for the benefit of ARC or the relevant trust and shall forthwith, upon receipt thereof, hand such documents over to ARC or the relevant trust as may be intimated by ARC</p>
Mode of Acquisition Acquirer	Absolute assignment and transfer of all Financial Assets on a non-recourse basis.
Offer Price	Rs.228.42 Crores in a Cash – SR Structure of 15 – 85
Management Fee	An amount equal to 2% per annum of the Net Asset Value (NAV) of Security Receipts (SRs) issued by the trust and calculated at the lower of end of Recovery Rating of outstanding security receipts specified by the Credit Rating Agency.
Recovery Fee	<p>Recovery Fee being an amount equal to 2% of the gross recovery received or realized from the underlying assets of the Trust, shall be payable to the ARC as the Trustee as and when any amount is realized in respect of the assets of the Trust.</p> <p>However, no recovery fee would be charged on the amount received from the successful resolution applicant under CIRP during 1st year.</p>
Upside Sharing	Net recoveries made by the Trust after full redemption of security receipts shall be shared in the ratio of 25:75 between the Trustee and Security Receipt holders (other than the ARC) after adjusting all expenses and fee payable.

V. Invitation for Counter bids:

Based on the base offer, the Eligible Bidders are invited to bid on comparable terms-

- i. Eligible Banks/FIs or any other Permitted Transferees can participate on **100% Cash basis**
- ii. Eligible ARCs can participate on:
 1. **100% Cash basis as well as**
 2. **Cash – SR Structure.**

In case of any bid in the Cash – SR Structure, the bids would be evaluated based on the following conditions:

Minimum 15 – 85 under the Cash – SR Structure or better Cash – SR Structure

- iii. **Minimum mark-up** between challenger bid and base bid shall be 6% for first instance and 5% thereafter for each instance.
- iv. Eligible ARCs offer received under Cash – SR Structure **must provide an acceptable guarantee of First-Class Bank on SR portion for a period of five year.**
- v. SR portion will be discounted for a one-year period at 5 Year G-Sec rate. For Cash - SR bids, the Discounted SR amount will be added to Cash amount and this adjusted amount will be treated as cash equivalent for evaluation of bids.

VI. BID Process:

Files containing available financial, legal and other information with respect to the specific non-Performing asset will be open for inspection to the bidders/eligible participants after signing of NDA.

Bidders are expected to complete inspection and submit their expression of interest (EOI) as per the tentative time schedule herein under:

Particulars	Date
Advertisement Date	02.10.2022/03.10.2022
Submission of Expression of Interest (EOI)	06.10.2022
Evaluation of EOI (EOI)	10.10.2022
Access to Data Room for Due Diligence to Eligible participants to be completed by	18.10.2022
Date of Swiss Auction (through E-Auction platform)	20.10.2022

Terms & Conditions:

1. Expression of Interest (EOI) should be offered by all the eligible bidders expressing their willingness to participate in the E-Auction
2. After selection of Eligible Bidders, a 'Non-Disclosure Agreement (NDA)' is to be executed in favour of PNBISL in the prescribed format on a Non-Judicial Stamp Paper of Rs. 500/- before initiating due diligence. The parties are requested to furnish their complete contact details with E-mail addresses for correspondence along with the NDAs.
3. On execution of Non-Disclosure Agreement, parties will be provided with access to Virtual Data Room (VDR), which will include details of financial assets and Information Memorandum (IM).
4. Information furnished at VDR shall not be deemed to be a representation about quality of asset. The parties shall conduct their own due diligence, investigation, analysis and independent verification.
5. The sale of the Financial Asset is on Swiss Challenge Method and "As is where is and whatever there is basis" and "without recourse basis".
6. Highest bid received in the process of E-Auction will be declared as H1 bidder subject to evaluation and deliberation for calculating NPV of the bids received.
7. Anchor Bidder will be invited to match H1 bid. If Anchor Bidder matches the H1 bid or bids higher than the H1 bid, that shall become the winning bid; else, the H1 bid shall be the winning bid.
8. The bidder shall be able to bid only at a specific increment value and not at any other fractions and in INR only.
9. The bid submitted in e-auction on submission is irrevocable and binding on the bidders. By preferring to submit the bid, the bidders shall be deemed to have represented and warranted its financial capacity to undertake and complete the transaction contemplated by the bid.
10. If there is no counter bid meeting minimum mark-up specified, Anchor Bidder's binding offer will be the winning bid.
11. Lenders may, at any time, without giving any reasons thereof, change/extend the deadlines/timelines outlined herein above.
12. The parties shall bear the expenses related to stamping, registration, or any other incidental expenses.
13. Acceptance of the offers shall be at the sole discretion of the Lenders and shall be subject to the approval of the competent authority of the Lenders.
14. The Lenders reserve the right to modify the terms of sale at any stage without assigning any reason. The Lenders reserve the right to reject and/or cancel or defer the sale of the Financial Asset at any stage without assigning any reason.

15. The Lenders reserve the right to add, delete or modify the sale structure at any stage without assigning any reason.

Documents to be submitted along with EOI

ANNEXURE 'A'

[Note: The details set out below are to be provided for each of the members]

A. Name and Address:

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

B. Copies of Certificate of Incorporation/ Registration and Constitutional Documents (MoA, AoA). Copy of PAN card or equivalent documents.

C. Date of Establishment:

D. Contact Person:

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

E. Prospective Bidder Profile:

- a. Profile of Bidder (Promoter and Promoters group, Key Managerial Personnel, Shareholders & Shareholding Pattern)
- b. RBI registration Certificate/other Regulatory Authorities Certificate as applicable.
- c. Certificate of Net-owned Funds/ Net worth
- d. Financial Profile of the Bidder (Annual Reports/ Audited Financial Statements for last 3 years)