

**In the National Company Law Tribunal  
Mumbai Bench**

MA 168 of 2019 in CP No.1658/I&BC/MB/MAH/2017

Application Under **Section 30(1) & (6)** and **Order under section 31** of Insolvency &  
Bankruptcy Code 2016

**In the matter of**

Edelweiss Asset Reconstruction Co. Ltd.

V.

Euro Pallets Pvt. Ltd.

By Mr. Santanu T. Ray  
.....Applicant/ Resolution Professional

Heard on 02.08.2019

Order delivered on: 05.12.2019

Coram: Hon'ble Shri M.K. Shrawat, Member (Judicial)  
Hon'ble Shri Chandra Bhan Singh, Member (Technical)

For the Applicant : Advocate Ms. Rubina Khan i/b Fortis India Law, for Resolution  
Professional  
Advocate Jaiverdhan Kundapur i/b V. Deshpande & Co., for Edelweiss  
Asset Reconstruction Co. Ltd.

**Per: Chandra Bhan Singh, Member (Technical).**

**ORDER**

1. An Application has been moved on 11.01.2019 by the Learned Resolution Professional by invoking the Provisions of Section 30(6) of the Insolvency & Bankruptcy Code, 2016 read with Regulation 39(4) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) 2016 for approval of a Resolution Plan. On receiving this Application along with Resolution Plan an Order is hereunder passed as prescribed **U/s 31(1) of The Code.**
2. The Financial Creditor Edelweiss Asset Reconstruction Co. Ltd had filed a Petition against the Corporate Debtor **Euro Pallets Private Limited** by invoking the Provisions of Section 7 of The Code read with Rule 4 of The Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules 2016.
3. After considering the merits of the case, the said Petition was **admitted** vide an **Order dated 18.05.2018 (CP No.1658/I&BP/NCLT/MB/2017)**. Mr. Santanu T. Ray was

appointed as the Interim Resolution Professional (IRP). The said IRP was confirmed as the Resolution Professional (RP) in the first CoC meeting dated 14.08.2018.

4. In the Second CoC meeting dated 5<sup>th</sup> September, 2018, wherein the reporting of the Action taken like Arranging the Factory Visit, Preparation of Information Memorandum, Appointment of Forensic Auditor was intimated to CoC. The Resolution for following agendas were passed :
  - i) Approval of eligibility criteria, bid evaluation matrix, bidding process of Resolution Plan.
  - ii) Approval of Form G for invitation of Expression of Interest and date of Publication of the same.
  - iii) Approval and Ratification of CIRP Cost and its funding.
5. The RP published the invitation for Expression of Interest (hereinafter referred to as "EoI") in terms of Section 25(2)(h) of the I&B Code in English Newspaper 'Financial Express' and local newspaper 'Loksatta' in Mumbai on 10.09.2018, wherein the last date for submission of EoI was 24.09.2018 and for submission of Resolution Plan was mentioned as 09.11.2018.
6. The RP received Expressions of Interest from five Prospective Resolution Applicants (hereinafter referred to as "PRAs"). In the third CoC meeting dated 06.11.2018, the Resolution was passed to extend the last date for submission of Resolution plan from 09.11.2018 to 23.11.2018.
7. In the Fourth CoC meeting dated 30.11.2018, the CoC opened the Resolution Plans received from two Prospective Resolution Applicants namely M/s Euro Pratik Ispat (India) Private Limited and MRA Global Private Limited. The CoC observed that the Resolution Plans were not as per format and in compliance with mandatory contents of Section 30(2) of the I&B Code read with Regulation 38 of the IBBI (Corporate Insolvency Resolution process for Corporate Persons) Regulations, 2016. Hence, the PRAs were directed to submit revised Resolution Plans with necessary modifications.
8. In the Fifth CoC meeting dated 17.12.2018, the modified Resolutions Plans received from both the bidders namely M/s Euro Pratik Ispat (India) Private Limited and M/s MRA Global Private Limited were opened and evaluated to give them the score. The

members observed that the as per Qualitative and Quantitative Parameter score given to the Resolutions Plans submitted by the Prospective Resolution Applicants, the Resolution Plan submitted by M/s Euro Pratik Ispat (India) Private Limited was substantially better than that of M/s MRA Global Private Limited. However, both the prospective Resolution Applicants were given an opportunity to improve their Respective Bids by the CoC members in order to maximise the value of the Corporate Debtor.

9. In the Sixth CoC meeting dated 21.12.2018, it was observed that only M/s Euro Pratik Ispat (India) Private Limited came up with improved Financial Bid. Therefore, M/s Euro Pratik Ispat (India) Private Limited emerged as highest bidder, after two rounds of bidding, with improved financial bid of Rs. 3.01 Crore (Three Crore and One lakh Rupees only) and hence the bid was accepted by the CoC subject to certain suggestions in Resolution Plans.
10. The RP submits that two registered valuers, namely (i) M/s Adroit Technical Services Private Limited, and (ii) M/s Anmol Sekhri Consultants Private Limited, have been appointed in accordance with Regulation 35 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to determine the Fair Value and Liquidation Value of the Corporate Debtor. The RP has further appointed Batliboi & Purohit as the Forensic Auditor for the purpose of conducting a transactional Forensic Audit of the Corporate Debtor. As per the reports submitted by the valuers, the average Liquidation Value of the Corporate Debtor is ₹83,50,981 and the average Fair Market Value is ₹1,04,38,726/-.
11. In the seventh CoC meeting dated 09.01.2019, the modified Resolution Plan submitted by the Resolution Applicant, M/s Euro Pratik Ispat ( India ) Private Limited along with an undertaking under section 29A of the I&B Code was submitted. The CoC, containing only one Financial Creditor, considered the same and passed the Resolution by 100% voting share, approving the Resolution Plan. It is also stated that the Resolution Applicant furnished a demand Draft of ₹30 lakh being 10% of the amount offered in the Resolution Plan.

## **SUMMARY OF THE RESOLUTION PLAN**

12. The Resolution Applicant, in consideration to acquire and take over the 100% ownership and management of corporate debtor as “Going Concern” i.e. 100% equity shares of existing Shareholders (4,90,000 equity Shares of face value Rs. 10/- each, fully paid up), proposed to be reduced to **NIL** and the Resolution Applicant shall infuse an amount aggregating Rs. 3.10 Crores in the Corporate Debtor by way of subscription of Equity Shares at face value of Rs. 10/- and through unsecured loan by itself or through its group companies / relative promoters.
13. **Total Financial Cost of Resolution Plan for resolution Applicant**

Total financial cost for the Resolution applicants of the resolution plan is given as under:

### **Payment to Financial Creditors-**

(Amount in Rs.)

Name of Banks/FIs	Outstanding as per Claim Form (dues as on 17.07.2018)	Upfront Payment in full & final settlement	Deferred Payment	NPV of Deferred Payment	NPV (Amount and %) of Total payment
Edelweiss Asset Reconstruction Company Ltd.	34,97,01,150	3,01,00,000	NIL	NIL	3,01,00,000
<b>TOTAL</b>	<b>34,97,01,150</b>	<b>3,01,00,000</b>	<b>NIL</b>	<b>NIL</b>	<b>3,01,00,000</b>

### **Payment to Operational Creditors-**

Name of the Creditors (Unsecured)	Outstanding as per Claim Form (dues as on 17.07.2018)	Amount to be paid as per Plan
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>

### **Payment to Workmen and Employees**

Since there was no claim received from the Employees and workmen and as per the records of the Company no payment was due to the Workmen and Employees of the Corporate Debtor. Therefore no payment is allocated to the workmen and employees of the Corporate Debtor.

### **Payment of Statutory Dues**

Based on the List of Creditors provided in the Information memorandum:

- It is presumed that the Liquidation Value will not be sufficient to cover the amounts owed to Secured Financial Creditors of the Company in full;
- It is presumed that the Liquidation Value of the Operational Creditors or the other creditors or stakeholders of the Company (including claims of employees,

workmen government dues, taxes, etc. and other creditors and stakeholders) is nil and accordingly they will not be entitled to receive any payment if the Company were to be liquidated on the insolvency commencement date and

- (c) As there is only one financial creditor there is no possibility of any dissenting financial creditor.

**Rs.189905/- claim has been received from the Regional Provident fund office Bandra Mumbai towards employee dues which shall be paid additionally by the resolution applicant over and above the resolution amount.**

**A. Resolution Plan shall be implemented in following manner:**

**i) Cost of CIRP**

It is presumed that as the company is not under operation during the CIRP period, therefore, there are no cash flows generated by the Company to pay the CIRP Costs and the Resolution Professional. The CIRP Costs estimated by the Resolution Applicant are approximately Rs. 35,00,000 (Rupees Thirty Five Lakhs Only) and will be paid in full and in priority to any other creditor of the Company. In case the actual CIRP costs are lower than that estimate, the balance provision towards CIRP costs shall be allocated towards payment to financial creditors. In case the CIRP costs exceed the estimate, the extra costs shall be adjusted out of payment proposed for Financial Creditors such that the Total Upfront (Full & Final) Payment (including CIRP costs) proposed by the Resolution Applicant does not exceed the total resolution amount of Rs. 3,01,00,000/- (Rupees Three Crores and One Lakh only).

**ii) Amount Due to Financial Creditors (Secured) – Admitted Claim**

According to List of Creditors of the Company as provided in the information memorandum (“List of Creditors”), total claims filed by the ‘financial creditors’ of the Company (the “Financial Creditors”) amount to INR 34,97,01,150 out of which claims aggregating to INR 34,97,01,150 (the Admitted Financial Debt) have been verified and admitted for the purposes of CIRP by the Resolution Professional :

- a) the verified and admitted claims of the secured Financial Creditors (the “Secured Financial Creditors”) amount to INR 34,97,01,150; and
- b) the verified and admitted claims of the unsecured Financial Creditors (the “Unsecured Financial Creditors”) amount to NIL.
- c) Rs. 1, 89,905/- has been claimed by the Provident Fund office as PF dues to workers and the same has been admitted.

**B. Payment plan**

- a. Upfront Payment of Rs. 10 Lakhs as EMD, has already been paid vide demand draft No. 006795 dated 27-12-2018 drawn on the Axis Bank Limited, Raipur (CT) branch.
- b. Second Instalment of Rs. 30.00 Lakh has already been paid upon receiving approval of Resolution Plan by COC vide Demand Draft No. 080968 dated 08-01-2019 of Axis Bank Limited, Raipur (CT) Branch.
- c. Third Instalment of Rs. 2.70 Crore Lakhs to be paid within 30 days from the date of receipt of order of approval from Adjudicating Authority.

**C. Source of Payment of Offer amount**

- a. Resolution Applicant in all has already deposited a sum of Rs. 40.00 Lakhs as EMD through Demand draft.
- b. Remaining offer amount of Rs. 2.70 Crore to be paid out of substantial portion of Net Worth lying under the head “Current Loans and Advances” which is easily convertible into surplus investible fund and can be utilized in view of better opportunities in near future.

**D. Monitoring and Supervision:**

On and from the NCLT Approval Date, the Monitoring Committee shall constitute the Board of the Company and be responsible for the implementation of this Resolution Plan along with the Resolution Applicant until the Effective Date (30 Business Days from the NCLT Approval Date or such earlier date as intimated by the Company by way of a public announcement.)

On and from the NCLT Approval Date and until the Effective Date, it is proposed that the Company will continue to be managed and controlled by the Resolution Professional, Mr. Santanu T. Ray under the guidance of a Monitoring committee (the “Monitoring Committee”), comprising of one representative of Financial Creditor, the Resolution Professional (in professional capacity) and one representative of the Resolution Applicant. During this period: (i) the existing board of directors of the Company (the “Existing Board”) shall stand vacated and be replaced by the members of the Monitoring Committee (“Reconstituted Board”); and (iii) the Monitoring Committee shall, subject to the provisions of this Resolution Plan, be deemed to have the same rights, powers and privileges which the Resolution Professional has during the CIRP.

## **E. Reliefs Sought Under Resolution Plan**

Resolution Applicant has requested following reliefs under the Resolution Plan:

(i) Licenses, Consents and Approvals

The Resolution Applicant has also considered that by virtue of the order of the Adjudicating Authority approving this Resolution Plan and since the Resolution Applicant would acquire the Company on a 'going concern' basis, all consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Company or to which the Company is entitled or accustomed to shall, notwithstanding any provision to the contrary in their terms and notwithstanding that they may have already lapsed or expired due to any non-compliance or efflux of time, be deemed to continue without disruption for the benefit of the Company and the Resolution Applicant for a period of 18 months from the NCLT Approval Date or until the period mentioned in such Business Licenses, whichever is later.

The Company shall be granted permission from the effective date to apply with competent authorities for renewal of all consent, licenses, clearances, permissions required to carry the operational activity of the unit.

However, this Bench is not inclined to grant such permission in view of the provisions of Section 31(4) of the I&B Code wherein it is clearly provided that all such statutory approvals/sanctions are to be sought within a period of one year. Section 31(4) states that:

***31. Approval of resolution plan.....***

*(4) The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force **within a period of one year** from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later:*

*Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002, the resolution applicant shall obtain the approval of the Competition Commission of India under that Act prior to the approval of such resolution plan by the committee of creditors.*

The Resolution Applicant is hereby directed to amend the Resolution Plan to the effect of taking the above said approvals/sanctions within a period of one year as aforesaid.

- (ii) It is proposed that upon the Upfront payment of full and final resolution amount committed to financial creditor, the Resolution Applicant shall be handed over the possession of the manufacturing unit.

(iii) Treatment of ongoing litigation and violations

It is proposed that following the NCLT Approval Date, the Company will investigate as to veracity of any allegations in relation to the non-compliance with the terms of any contract or Clearances obtained by the Company and if so, take or cause to be taken remedial actions in this regard within a reasonable period of time, during which time, the related litigations/ proceedings should be kept in abeyance and that no coercive action be taken against the Company. It is currently expected that a period of 18 months from the NCLT Approval Date will be required for the Resolution Applicant to cause the Company to remedy such underlying breaches (if found to be true).

The liabilities which occurs by way of any order, judgments, decisions passed by any competent authority in respect of any application, petition, complaint filed by any person in the matter of transactions entered by company prior to NCLT approval date shall be borne by the previous management, promoters, their officer in default or any other person related to them and no criminal action shall be taken against Resolution Applicant, the SPV and the Company in relation to any breach of law committed by previous management or promoters and other persons related to them.

- (iv) All domain names, servers, being currently used by the Company to the extent not owned shall continue to be available for use by the Company for a period of 3 months from the NCLT Approval Date.
- (v) There shall be no adverse effect on the rights of the Company over its immovable properties.
- (vi) On and from the Effective Date, the Resolution Applicant shall have the right to replace the existing auditors of the Company and appoint new auditors as deemed fit by the Resolution Applicant.

- (vii) Any right of subrogation, reimbursement, recompense, under any corporate guarantee, letters of comfort or similar instruments of debt or any obligation provided by any promoter, affiliate or Related Party of the Company shall stand extinguished and become null and void as of the NCLT approval date, on and from the date of Upfront Payment.
- (viii) Each of the directors whose offices are being vacated pursuant to the provisions of the Resolution Plan, the Related Parties whose Contracts are being terminated pursuant to this Resolution Plan shall have no claim against the Company either in law or tort including on account of any loss of office, profit or repute.
- (ix) In case of capital reduction, the requirement of adding “and reduced” in the name of the Corporate Debtor to be dispensed with (on account of reduction of share capital of the Corporate Debtor).
- (x) The approval of this Plan by the NCLT shall be deemed to have waived all the procedural requirements in terms of Section 66 and Section 42 of the Companies Act, 2013 and the NCLT (Procedure for Reduction of Share Capital) Rules, 2016 for reduction of share capital and issuance of equity shares to Resolution Applicant.
- (xi) All relevant Governmental Authorities to grant relief from payment of stamp duty and applicable fees (including fees payable to the jurisdictional Registrar of Companies) for the successful implementation of the Plan (including for the capital reduction, issuance of shares).

Resolution Applicant shall have “no recourse” against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. **If for lack of clarification and in case of any doubt regarding implementation of Resolution Plan, the Resolution Applicant seeks to withdraw the plan, the amount deposited in the form of EMD shall necessarily be forfeited by the COC/Financial Creditors. The withdrawal of an approved Resolution Plan results into an automatic liquidation of the Company. Hence, to provide a deterrent effect to the non-complaint Resolution Applicant and to save the company from going into liquidation, the relief of non-forfeiture of EMD amount cannot be given.**

- (xii) Exemption from taxes

The NCLT to exempt from levying any type of Taxes and stamp duty, if any, arising on account of transactions consummated or actions undertaken pursuant to the approval of the

Resolution Plan by the NCLT in accordance with the Code and not initiate any proceedings there under the provisions of Income Tax Act, 1961 with respect to the transaction, since such taxes and duties, if required to be paid, will render the Plan unviable.

Further, the Waiver of principal Loan amount/and/or waiver of any other creditors as well as waiver of Interest as appearing in the books of accounts of the Corporate Debtor as on the date of NCLT order and written back in the books of account following NCLT order shall not be taxed as perquisite or benefits under section 28(iv) and cessation of liability under section 41(1) or any other relevant sections/rules/regulations of the Income Tax Act."

14. The Applicant has duly submitted Form H stating that the resolution plan is complaint of the provisions of the code. The Applicant has preferred the present application for approval of the resolution plan by this Adjudicating Authority.
15. The total payment under the resolution plan shall be made within 30 months from the date of approval of resolution plan by this Bench.
16. The Resolution Plan as annexed to the application is reproduced herein below for ready reference:

**Resolution Plan**

**For Euro Pallets Private Limited**

Submitted by **Euro Pratik Ispat (INDIA) Private Limited**  
(under the provisions of the Insolvency and Bankruptcy Code, 2016)

January 9, 2019

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To: Mr. Santanu T. Ray,  
Resolution Professional, Euro Pallets Private Limited  
AAA Insolvency Professionals LLP,  
1343, Level 13, Platinum Techno Park,  
Plot No. 17-18, Sector – 30 A, Vashi,  
Navi Mumbai (M.H.) 400705

Dated: 09<sup>th</sup> January, 2019

Dear Sir,

Sub: Resolution Plan relating to the corporate insolvency resolution process (“CIRP”) of Euro Pallets Private Limited (“Company”);

### Compliance

Pursuant to an advertisement/letter/notice issued by Mr. Santanu T Ray (the “**Resolution Professional**”) on October 9, 2018 inviting resolution plan from potential resolution applicants for Euro Pallets Private Limited (“**Company**”), Euro Pratik Ispat (India) Private Limited (the “**Resolution Applicant**”), hereby presents a resolution plan based on the information memorandum and documents available in the public domain and the relevant information shared by the Resolution Professional. The resolution plan complies with the provisions of Section 31 of the Insolvency and Bankruptcy Code, 2016 (“**IBC**”) read with Regulation 36A, 37, 38 & 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

All capitalized terms used in this Resolution Plan shall have the meaning given to them in **Schedule 1 (List of Defined Terms)** or as otherwise defined in this Resolution Plan and if not so defined shall have the meaning ascribed to the term in the IBC.

### Information Conditions

(a) The Resolution Plan is a confidential document and contains confidential information about

the Resolution Applicant. The CoC and the Resolution Professional shall maintain the confidentiality of all information and material provided by us in this Resolution Plan or in relation thereto, or in relation to the Resolution Applicant, and such information and material shall not be disclosed in whole or in part to any person without our prior written consent, provided that it may be disclosed by the Resolution Applicant to the CoC and its and their employees, consultants or professional advisers on a strictly need to know basis subject to equivalent obligations of confidentiality.

- (b) We will not be held liable for any actions, inquiries, proceedings initiated or threatened against the CoC, the Resolution Professional or any of their respective employees, agents, consultants or advisors in relation to any matter in connection with the CIRP that has been commenced against the Company.
- (c) The Resolution Plan is a complete plan and shall be accepted as a whole. Any part acceptance, negotiation or modification of the plan will be valid only when accepted by us in writing.

Subject to satisfaction of conditions and requirements set out in the Resolution Plan, the approval or acceptance of the Resolution Plan by the CoC and the Adjudicating Authority will create binding obligation(s) on the Resolution Applicant, the Company and on all the stakeholders in the CIRP (relating to the Company), including all creditors (whether admitted or not) of the Company, in accordance with the provisions of the IBC.

This Resolution Plan is prepared on the basis of information memorandum provided by the Resolution Professional and all the details including but not limited to share capital, liabilities, assets are dealt in this plan on the basis of information memorandum provided. The Information Memorandum does not contain all necessary information or the information sought by the Resolution Applicant. The Resolution Applicant shall not be liable towards any change of information of the company in future which is contrary to the information memorandum. It is clarified by the Resolution Professional that there no other details & documents available with the Resolution Professional due to non-cooperation of Corporate Debtor and the Information Memorandum is prepared on the basis of details & documents available on Ministry of Corporate Affairs, portal and information provided by Creditors.

This Plan has been proposed on the basis of the limited information given in the Information Memorandum.

On the basis of following information submitted by Resolution Professional under regulation 36 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for corporate persons) 2016:

Particulars	Details
Assets and liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values	Information Memorandum provides data as on March 31, 2017
The latest annual financial statements for the year ending 31.03.2018	Not Available
Audited financial statements of the corporate debtor for the last two financial years and provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application	Audited Financial Statement for FY 2015-16 & FY 2016-17 were provided. However, Audited Financial Statement for FY 2017-18 and provisional financial statement for the current FY 2018-19 were not available.
A list of creditors containing the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims	As per Information Memorandum.
Particulars of a debt due from or to the corporate debtor with respect to related parties	As per Audited Financial Statement 31.03.2017, there is no debt due to related parties.
Details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party	As per Information Memorandum, personal guarantees have been provided by – <ol style="list-style-type: none"> <li>1. Rahul J Singhvi</li> <li>2. Gaurav J Singhvi</li> <li>3. Nenshi L Shah</li> <li>4. Dhawal S Shah</li> <li>5. ShakuntalaSinghvi</li> </ol>
The names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake	As per list provided in Information Memorandum.

Details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities	As per Information Memorandum.
The number of workers and employees and liabilities of the corporate debtor towards them	On the basis of information provided in information memorandum, there are no workers and employees in the factory & their liabilities are not pending with the company.

**RESOLUTION PLAN****A. GENERAL INFORMATION**

<b>S.NO</b>	<b>ITEM</b>	<b>PARTICULARS</b>
1.	Name of the Company	<b>Euro Pallets Private Limited</b> <b>(U27107MH2008PTC184344)</b>
2.	Registered Office of the Company	B-101, Universal Paradise, Nanda Patkar Road, Ville Parle (East), Mumbai (MH) 400057
3.	Name of Resolution Professional	Mr. Santanu T. Ray (IP Reg. No. IBBI/IPA-002/IP-N00360/2017-18/11055)
4.	Contact details of Resolution Professional	AAA Insolvency Professionals LLP, 1343, Level 13, Platinum Techno Park, Plot No. 17-18, Sector – 30 A, Vashi, Navi Mumbai (M.H.) 400705
5.	Date of submission of Resolution Plan to Resolution Professional	07 <sup>th</sup> January, 2019

**B. INFORMATION ABOUT RESOLUTION APPLICANT**

<b>S.NO</b>	<b>ITEM</b>	<b>PARTICULARS</b>
1.	Name of the resolution Applicant	<b>Euro Pratik Ispat (India) Private Limited</b> <b>(U51420MH1993PTC072210)</b>
2.	Constitution	Private Limited Company
3.	Registered Address of the Resolution Applicant	Tulsi Terrace, 3 <sup>rd</sup> Floor, 275, S B S Road, Fort, Mumbai (MH) 400001
	Correspondence Address of the Resolution Applicant	J-1, Farishta Complex, Near Jaistamabh Chowk, Raipur (C.G.) 492001
4.	PAN	AAACH3923Q
5.	Email Id	<a href="mailto:EUROINDIAMP@GMAIL.COM">EUROINDIAMP@GMAIL.COM</a>
6.	Phone No	(+91) 93002-03582 ; 70009-61102
7.	Date of incorporation	28 <sup>th</sup> May 1993.

8.	Name of Directors	1. Mr. Surendra Singh Saluja (DIN : 05218259) 2. Mr. Harneet Singh Lamba (DIN: 08148287)
9.	Name of the person (s) who is authorised by the company to submit Resolution Plan and their designation, contact no.	<b>HIMANSHU SHRIVASTAV</b> Authorised Signatory (+91) 93002-03582
10.	Shareholding pattern	Annexure to Schedule 2
11.	Main activities and Products	Trader of Iron and Steel products.
12.	List of major customers and suppliers	<b><u>Major Customers:</u></b>  Uttam Galva Metallics Limited, Wardha (MH) Sun Flag Iron & Steel Ltd., Bhandara (MH)  <b><u>Major Suppliers:</u></b>  Geomini Industries Private Limited, Jabalpur (MP) Anand Mining Corporation, Katni (MP)
13.	Details of commercialActivity (Location, etc.)	Company is involved in Trading activity since FY 2015-16.  Its Work unit is located in 50-64, Industrial Area Hargarh, Sihora, Distt.: Jabalpur (M.P.) 482003
14.	Past performance and financials as per lastthree years AuditedFinancials	<b>Annexure3</b>
15.	Relationship if any with Corporate Borrower	The Resolution Applicant do not share any relationship with the Corporate Debtor.

C. DETAILS OF THE RESOLUTIONPLAN

On the basis of information memorandum, documents available in the public domain and additional information provided by the resolution professional, we hereby submit the following resolution plan:

S.NO	ITEM	PARTICULARS
1.	Main strategy proposed in the Resolution Plan	Schedule 3 (Steps for Implementation)

		of the Plan)
2.	Specify procedure for payment of dues towards resolution process costs/ financial creditors/ operational creditors/ government dues etc.	Schedule 4 (Financial Proposal for all stakeholders)
3.	Proposal for capital and Financial Restructuring a) Details of the creditors along with details of such debt and amount of debt. b) The structure and method of payment to each of the creditor. c) Provision, if any, for making repayment to dissenting minority creditors.	Schedule 4 (Financial Proposal for all stakeholders)
4.	Proposal for operating restructuring a) The operating restructuring/turnaround strategy that may be adopted by the Company. b) The benefits of adoption of such strategy to various stakeholders	Schedule 5 (Business Plan)
5.	Proposal for payment of financial creditors a) The sources of financing the financial creditors. b) Provisions relating to payment of dues equivalent to the liquidation value of dissenting financial creditors in priority to consenting financial creditors.	Schedule 3 (Steps for Implementation of the Plan)
6.	Proposal for payment of operational creditors after all the financial creditors are paid a) The sources of financing the operational creditors.	Schedule 4 (Financial Proposal for all stakeholders) and Schedule 6
7.	Provision for payment of Insolvency Resolution process Cost	Schedule 4 (Financial Proposal for all stakeholders)
8.	Details of parties that will infuse the capital a) Details of the amount of capital infused b) Time period within which capital will be raised c) Source of such capital infusion d) Utilization of such capital	Schedule 3 (III ) (Steps for Implementation of The Resolution Plan)

10.	<p>a) Term of the resolution plan and its implementation schedule</p> <p>b) Proposal relating to the management and control of the business of the Company during its term</p> <p>c) Proposal relating to adequate means for supervising its implementation</p>	Schedule 3 (Term and implementation of the plan)
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D. AS PER REGULATION 37 OF INSOLVENCY & BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016 SHALL PROVIDE FOLLOWING DETAILS

S.NO.	ITEM	PARTICULARS
a)	Transfer of all or part of the assets of the Company to one or more persons	Yes. See Schedule 3
b)	Sale of all or part of the assets whether subject to any security interest or not	Yes. See Schedule 3
c)	The substantial acquisition of shares of the Company, or the merger or consolidation of the Company with one or more persons	Yes. See Schedule 3
ca)	Cancellation or delisting of any shares of the corporate debtor, if applicable	Yes. See Schedule 3
d)	Satisfaction or modification of any security interest	Yes. See Schedule 4
e)	Curing or waving of any breach of the terms of any debt due from the Company	Yes. See Schedule 4
f)	Reduction in the amount payable to the creditors	Yes. See Schedule 4
g)	Extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor	No
h)	Amendment of the constitutional documents of the corporate debtor	Yes
i)	Issuance of securities to the Company, for cash, property, securities, or in exchange for claims or interests or other appropriate purpose	No
j)	Change in portfolio of goods or services produced or rendered by the Company	No
k)	Change in technology used by the Company	No.
l)	Obtaining necessary approvals from the Central and State Governments and other authorities	Yes.

E. AS PER SUB-REGULATION (3) OF REGULATION 38 OF INSOLVENCY & BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016 PROVIDE

FOLLOWING DETAILS IN RELATION OF RESOLUTION APPLICANT AND CONNECTED PERSONS.

S.NO.	ITEM	PARTICULARS
1.	Conviction for any offence, if any, during the preceding five years	No
2.	Criminal proceedings pending, if any;	No
3.	Disqualifications, if any, under Companies Act, 2013, to act as director	No
4.	Identification as willful defaulter, if any, by any bank or financial institution or consortium thereof in accordance with the guidelines of the Reserve Bank of India;	No
5.	Debarment, if any, from accessing to, or trading in, securities markets under any order or directions of the Securities and Exchange Board of India (SEBI);	No
6.	Transactions, if any, with the Company in the preceding two years.	No

“Connected persons” means-

- a) Persons who are promoters or in the management or control of the resolution applicant;
- b) The Persons who will be promoters or in management or control of the business of Company during the implementation of the Resolution Plan;
- c) Holding company, subsidiary company, associate company and related party of the persons referred to it in terms (a) and (b).

F. DOCUMENTS REQUESTED IN PROCESS DOCUMENT

- i) Copy of the memorandum and articles of association and certificate of incorporation or other equivalent organizational document- **Attached as Annexure 1;**
- ii) Duly certified copy of list of shareholder **Attached as Annexure 2;**
- iii) Annual report or audited financials of the Resolution Applicant for last 5 financial years. **Attached as Annexure 3;**
- iv) Copy of permanent account number (PAN) of the Company **Attached as Annexure 4;**
- v) Board Resolutions of the resolution applicant to execute the resolution plan and the definitive agreements **Attached as Annexure 5;**
- vi) Declaration by the Resolution applicant certifying eligibility U/S 29A of the IB Code and / or other applicable laws **Attached as Annexure 6;**

vii) Details of Litigation against the company **Attached as Annexure 7;**

## DECLARATION

We hereby declare that we have read and understood all the terms and conditions relating to the formulation of resolution plan and hereby express our interest in the submission of resolution plan for the said Company. We further declare that the resolution plan is not in contravention of provisions of the Applicable Law and conforms to other requirements as may be specified by the Insolvency and Bankruptcy Board of India.

We also hereby declare that any confidential information of the Company that has come to our knowledge or might come to our knowledge during the insolvency resolution process shall not be divulged by us.

We undertake to provide the Resolution Professional, the CoC and the CoC's Advisor with any further information as may be requested by them.

Capitalized terms used but not defined herein shall have the meaning given to the term in the Process Document and Information Memorandum.

Yours faithfully

Surendra Singh Saluja

Director

Date:07.01.2019

Place: Raipur

**Euro Pratik Ispat (INDIA) Private Limited** has been affixed in my presence pursuant to the resolution of the board of directors of **Euro Pratik Ispat (INDIA) Private Limited**, dated 12.12.2018.

WITNESS 1 :

WITNESS 2 :

Mr. Lalit Pandey

Date:07.01.2019

Mr. Mineswar Diwan

Date:07.01.2019

**SCHEDULE 1**  
**LIST OF DEFINED TERMS**

<b>Abbreviation / Capitalised Terms</b>	<b>Description</b>
<b>Assets</b>	All assets (tangible and intangible), properties, goods, rights, benefits and privileges of the Company.
<b>Adjudicating Authority</b>	The adjudicating authority required to approve the Resolution Plan in accordance with the provisions of S. 31 of the IBC.
<b>Authorisation</b>	means: (a) an organization, consent, approval, resolution, licence, exemption, filing, lodgement or registration; and (b) in relation to anything which will be fully or partly prohibited or restricted by law or regulation if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.
<b>Board/ Board of Directors</b>	Board of directors of the Company
<b>CA2013</b>	Companies Act, 2013
<b>CIRP</b>	Corporate Insolvency Resolution Process
<b>CIRP Costs</b>	The costs arising on account of the CIRP determined in accordance with Regulation 31 of the CIRP Regulations estimated at Rs. 35 lakh
<b>CIRP Regulations</b>	The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (as amended from time to time).
<b>Clearances</b>	all authorisations issued by a Governmental Agency to enable the Company to fulfill its obligations under and in connection with its business, facilities and obligations under contracts entered into by the Company
<b>Company or Corporate Debtor</b>	Euro Pallets Private Limited.
<b>Effective Date</b>	30(Thirty) Business Days from the NCLT Approval Date or such earlier date as intimated by the Company by way of a public announcement.
<b>EMD</b>	Earnest Money Deposit (EMD - 1 and EMD - 2) as provided in the Process Document
<b>Equity Shares</b>	The fully paid up equity share of the Company having a face value of Rs. 10 each.

<b>Existing Shareholders</b>	The existing shareholders of the Company holding 49,00,000 equity shares of Rs. 10 each as of the NCLT Approval Date.
<b>Financial Debt</b>	shall have the meaning as prescribed to such term under the IBC.
<b>FY</b>	Financial Year
<b>IBC</b>	Insolvency and Bankruptcy Code, 2016 as amended from time to time
<b>Information Memorandum</b>	The information memorandum shared by the Resolution Professional in accordance with the IBC.
<b>Insolvency Commencement Date</b>	17 <sup>th</sup> July 2018.
<b>Euro Pratik</b>	Euro Pratik Ispat (INDIA) Private Limited
<b>Liability</b>	Any liability or obligation (whether direct or indirect, absolute or contingent, accrued or unaccrued, known or unknown, liquidated or unliquidated, or due or to become due)
<b>Monitoring Committee</b>	A committee constituting one representative of the Resolution Applicant, the Financial Creditors and the Resolution Professional each which shall be act as the Board of the Corporate Debtor on and from the NCLT Approval Date until payment of Upfront (Full & Final) Payment
<b>NCLT Approval Date</b>	Date of approval of the Resolution Plan by the Adjudicating Authority in accordance with Section 31 of the IBC.
<b>Operational Contracts</b>	Contracts entered into by the Company with various counterparties identified by the Resolution Applicant prior to the NCLT Approval Date and shared with the Resolution Professional which are required for the Company to continue as a going concern.
<b>Operational Creditors</b>	'Operational Creditors' shall have the meaning ascribed to such term under the IBC.
<b>Operational Debt</b>	'Operational Debt' shall have the meaning ascribed to such term under the IBC.
<b>PAN</b>	Permanent Account Number
<b>Process Document</b>	Bidding Process Document of Euro Pallets Pvt Ltd
<b>Resolution Plan</b>	means this insolvency resolution plan in relation to the Company submitted by the Resolution Applicant
<b>RBI</b>	The Reserve Bank of India
<b>ROC</b>	Registrar of Companies
<b>UPFRONT PAYMENT / UPFRONT (FULL &amp; FINAL PAYMENT)</b>	It shall mean <b>UPFRONT CASH RECOVERY</b> amount and complete resolution amount of <b>Rs. 3.01 Crores (inclusive of CIRP costs)</b> which shall be paid <b>FINAL</b> within 30 days from the date of order of adjudicating authority or such period as may be extended at the discretion of the CoC.

## SCHEDULE 2

### DETAILS OF THE RESOLUTION APPLICANT

The Resolution Applicant proposes to implement the Resolution Plan in accordance with the provisions of **Schedule 2** and seeks the support of all the stakeholders of the Company in this regard.

S.NO	ITEM	PARTICULARS
1.	Name of the resolution Applicant	<b>Euro Pratik Ispat (India) Private Limited</b> <b>(U51420MH1993PTC072210)</b>
2.	Constitution	Private Limited Company
3.	Registered Address of the Resolution Applicant	Tulsi Terrace, 3 <sup>rd</sup> Floor, 275, S B S Road, Fort, Mumbai (MH) 400001
	Correspondence Address of the Resolution Applicant	J-1, Farishta Complex, Near Jaistamabh Chowk, Raipur (C.G.) 492001
4.	PAN	AAACH3923Q
5.	Email Id	<a href="mailto:EUROINDIAMP@GMAIL.COM">EUROINDIAMP@GMAIL.COM</a>
6.	Phone No	(+91) 93002-03582 ; 70009-61102
7.	Date of incorporation	28 <sup>th</sup> May 1993.
8.	Name of Directors	1. Mr. Surendra Singh Saluja (DIN : 05218259) 2. Mr. Harneet Singh Lamba (DIN: 08148287)
9.	Name of the person (s) who is authorised by the company to submit Resolution Plan and their designation, contact no.	<b>SURENDRA SINGH SALUJA</b> (+91) 93002-03582 ; 70009-61102
11.	Main activities and Products	Manufacturer/Trader of Iron and Steel products.
12.	List of major customers and suppliers	<b><u>Major Customers:</u></b> Uttam Galva Metallics Limited, Wardha (MH) Sun Flag Iron & Steel Ltd., Bhandara (MH) <b><u>Major Suppliers:</u></b> Geomin Industries Private Limited, Jabalpur (MP) Anand Mining Corporation, Katni (MP)
13.	Details of commercial Activity (Location, etc.)	Company is involved in Trading activity since FY 2015-16. Its Work unit is located in 50-64, Industrial Area Hargarh, Sihora, Distt.: Jabalpur (M.P.) 482003

14.	Past performance and financials as per last five years Audited Financials	<b>Annexure 3</b>
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## CONNECTED PERSON:

### A. Persons who are promoters or in control of the Resolution Applicant

S.No.	Name Of Promoters
1.	Mr. Surendra Singh Saluja
2.	Mr. Harneet Singh Lamba

The copy of PAN Card and Aadhar is enclosed as Annexure-8

### B. Persons in the management of the Resolution Applicant (being the director of the Resolution Applicant)

S.No.	Name Of Promoters
1.	Mr. Surendra Singh Saluja
2.	Mr. Harneet Singh Lamba

### C. Persons who will be the promoters or in control of the business of the Corporate debtor during the implementation of this Plan - Resolution Applicant.

### D. Proposed management of the Corporate debtor during the implementation of this Plan :

The Resolution Applicant shall appoint suitably qualified persons eligible under Section 29A of the Code as key managerial personnel to supervise operations of the Corporate Debtor.

### E. (A) Holding company, subsidiaries companies and associate companies of the person who is the promoter or in management or in control of the Resolution Applicant - None

(B) Holding company, subsidiaries companies and associate companies of any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan – None;

### F. Related party of Mr. Surendra Singh Saluja and Mr. Harneet Singh Lamba (being the person

**who is the promoter or management or in control of the Resolution Applicant)**

1. Mr. Surendra Singh Saluja:

S.No.	Relations	Relative Name
a)	Wife	SarabjeetKourSaluja
b)	Father	Sampooran Singh Saluja
c)	Mother	PreetamKourSaluja
d)	Son	Sirjan Sing Saluja
e)	Daughter	RashmintKourSaluja

2. Mr. Harneet Singh Lamba

S.No.	Relations	Relative Name
a)	Wife	GurmeetKaurLamba
b)	Mother	JasbirKaurLamba
c)	Father	KrishanDev Singh Lamba
d)	Sister	DamanjeetKaurChabra
e)	Sister's Husband	Manjeet Singh Chabra

- G. **Related parties of the Resolution Applicant (being the person who will be the promoter or in control of the business of the Corporate Debtor during the implementation of this Plan) and related parties of the proposed management of the Corporate Debtor (mentioned above) during the implementation of this Plan** - Relevant persons stated above in this Annexure.

## DETAILS OF MANUFACTURING FACILITIES

State	City	No of units	Product Manufactured
Madhya Pradesh	Jabalpur	1*	Trading facility.

\*Belongs to Resolution Applicant i.e. Euro Pratik Ispat (India) Private Limited.

## ANNEXURE TO SCHEDULE 2

### SHAREHOLDING PATTERN AS ON: MARCH 2018

TYPE: EQUITY SHARES

FACE VALUE: RS. 10/- EACH

S. NO.	NAME OF SHAREHOLDER	NO. OF SHARES	PERCENTAGE OF SHARES
1.	Suresh D Gala	33,324	0.24%
2.	Dhiraj D Gala	10	0.00%
3.	Dharmi Sales P Ltd.	5,715	0.04%
4.	MRA Global Pvt Ltd.	30	0.00%
5.	R.B.M. Finance Pvt Ltd.	4,37,116	3.20%
6.	Vista Sales Private Limited	8,73,805	6.39%
7.	Linkup Vintrade Private Limited	25,000	0.18%
8.	Truthful Dealcomm Private Limited	50,000	0.37%
9.	SanskarCommodealPvt Ltd	25,000	0.18%
10.	Silverson Logistic Private Limited	25,000	0.18%
11.	Everfast Infrastructure Pvt Ltd	12,500	0.09%
12.	JagdharaDealcomm Private Limited	12,500	0.09%
13.	Laxman Prasad Agrawal On Behalf Of Laxman Prasad Agrawal (HUF)	4,10,000	3.00%
14.	Laxman Prasad Agrawal	50,000	0.37%
15.	Rajendra Prasad Agrawal	1,00,000	0.73%
16.	ManojAgrawal	1,00,000	0.73%
17.	Rakesh Kumar Agrawal	30,000	0.22%
18.	AlokAgrawal	1,00,000	0.73%
19.	AbhayAgrawal	60,000	0.44%
20.	JayantAiran	1,40,000	1.02%
21.	Rishi Agrawal	20,000	0.15%
22.	Anguri Devi Agrawal	1,80,000	1.32%
23.	RenukaAgrawal	40,000	0.29%
24.	MeenaAgrawal	1,40,000	1.02%
25.	NehaAgrawal	1,00,000	0.73%
26.	PoojaAgrawal	30,000	0.22%
27.	HariVintrade Private Limited	38,55,540	28.18%
28.	Prince Deal trade Private Limited	68,24,867	49.89%
<b>TOTAL</b>		<b>1,36,80,407</b>	<b>100%</b>

**SCHEDULE 3**  
**IMPLEMENTATION SCHEDULE, SUPERVISION AND TERM**

The detailed steps for the acquisition of the control of the Company (and completion of implementation of the Resolution Plan) following the NCLT Approval Date shall be as set forth in this Schedule. For the purposes of and in connection with the transactions contemplated under this Resolution Plan:

- (a) The Resolution Applicant, may consent on behalf of all persons concerned, to any modifications or amendments of the provisions of this Schedule or to any conditions which the Adjudicating Authority and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in carrying out the provisions of this Schedule and do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the terms hereof.
- (b) To the extent any secretarial filings, corporate actions and/or any other actions filings, intimations, etc. are required to be made in connection with any step set forth in this Schedule before the NCLT Approval Date, the Resolution Professional shall be deemed to be fully authorized to act on behalf of the Company and to undertake all such actions.
- (c) To the extent any secretarial filings, corporate actions and/or any other actions filings, intimations, etc are required to be made in connection with any step set forth in this Schedule after the NCLT Approval Date and before the Effective Date, the Monitoring Committee shall be deemed to be fully authorized to act on behalf of the Company and to undertake all such actions.
- (d) Without prejudice to the foregoing, the Resolution Applicant may, if required and from time to time, seek necessary directions from the Adjudicating Authority in connection with actions to be undertaken or filings to be made with registrar of companies, and/or any other statutory or regulatory authority in connection with matters contemplated herein.

**I. NCLT APPROVAL DATE ACTIONS**

The following actions shall have been deemed to have taken simultaneously and without any further action, deed by any Person on the NCLT Approval Date:

- 1. The existing board of directors of the Company shall automatically be replaced by the members of the Monitoring Committee;
- 2. The moratorium under Section 14 of the IBC shall be deemed to continue until the Effective Date.
- 3. The Powers of Attorney (POA) and/or other authorizations or mandates (including the sub-

delegations of POA, if any, by the Attorneys), in whatsoever form, issued by the Company prior to the NCLT Approval Date to any person to enable such person to carry out various functions of the Company shall stand revoked and rescinded.

4. The EMD deposited by the Resolution Applicant in accordance with the terms and conditions of the Process Document to be paid out for payment of Upfront (Full & Final) Payment including CIRP costs.

## II. CAPITALREDUCTION

1. The Liquidation Value payable to the Existing Shareholders of the Company is presumed to **NIL**. Consequently if the Company is liquidated as of the Insolvency Commencement Date then the Existing Shareholders would not receive any payments. Therefore, as of the Effective Date and simultaneous to the Capital Issuance contemplated in Paragraph III of this Schedule, the existing issued equity share capital of Rs. 49,00,000(Rupees Forty Nine Lakhs Only divided into 4,90,000 equity shares of Rs. 10 each shall be reduced by 100% (One Hundred Percent) and the share capital of the Company shall be reduced to nil ("**Capital Reduction**"). There shall be no requirement to add "and reduced" in the name of the Company and all liabilities of the Company appearing as current borrowings in respect of such equity shares that have been reduced will be completely reduced to nil without any liabilities, claims or obligations by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.
2. The Capital Reduction shall not require the Consents of any of the creditors of the Company or approval of any of the shareholders of the Company, or any other person having any security interest over such shares and the approval of the Adjudicating Authority to the reduction of share capital and shall be binding on the Company and its stakeholders (including its creditors and shareholders).
3. The share certificates held by the shareholders of the Corporate Debtor shall stand cancelled without any further act, instrument or deed and the shares of the Corporate Debtor held by any of the shareholders in shall stand cancelled by appropriate corporate action.

## III. INFUSION BY RESOLUTIONAPPLICANT

1. As an integral part of the Resolution Plan and simultaneous with the Capital Reduction, the Resolution Applicant (either by itself or through an SPV) shall infuse the Capital Commitment in the manner provided in this Paragraph III ("**Capital Infusion**").
2. The Resolution Application shall infuse an amount aggregating to **INR 3.01 Crore s**(the "**Capital Commitment**") in the Corporate Debtor by way of subscription of Equity Shares at face value of Rs. 10/- and/or through Unsecured loan by itself or through its group companies/relatives of promoters.

3. The Board of the Corporate Debtor shall pass the following resolutions unanimously on the Effective Date:
  - (i) Issue and allot the Equity Shares at face value and without premium to the Resolution Applicant and its nominees, free of all encumbrances (or such part thereof as determined by the Resolution Applicant) in deemed compliance of relevant provisions of the Companies Act 2013 and other prevalent provisions of law. The nominees will hold one Equity Share each in their name jointly with the Resolution Applicant;
  - (ii) Avail any debt (as infused by or arranged by the Resolution Applicant);
  - (iii) Authorise the directors, company secretary and any other authorised person of the Corporate Debtor for making of entries in, and updating, the register of shareholders/directors of the Corporate Debtor to reflect the aforesaid changes and file requisite forms and returns on behalf of the Corporate Debtor with the jurisdictional Registrar of Companies;
4. Simultaneous with the Capital Reduction, the Equity Shares shall be issued to the Resolution Applicant, as the case may be in the manner specified in this Paragraph III.

5. **Source of Funds:-**

As per the Audited Financial Statements of Resolution Applicant, the Resolution Applicant has substantial Net Worth as on 31st March 2018 and does not have any Borrowings. Currently substantial portion of Net Worth is lying under the head "Current Loans and Advances" which is easily convertible into surplus investible fund and can be utilized in view of better opportunities in near future.

6. ***Undertaking:***

***We hereby undertake that the subscription of proposed equity shares under the resolution plan shall be pursuant to the fresh issuance of equity shares of the company.***

#### IV. EFFECTIVE DATEACTIONS

On the Effective Date, the following actions shall have been deemed to have taken simultaneously and without any further action, deed by any Person:

1. The Capital Reduction shall become effective and the issued and paid up equity shares of the Existing Shareholders shall be cancelled and reduced to nil in accordance with this Resolution Plan.
2. The Capital Infusion in the manner stated in Paragraph III shall be undertaken.
3. The existing board of directors of the Company shall be reconstituted with the existing board of directors deemed to have resigned on the Effective Date without any further action and the

nominees of the Resolution Applicant nominated to the Board of the Company;

4. All powers of management, control and operation of the Company granted to the erstwhile Promoters and Promoter Group of the Company, and/or their nominees shall be withdrawn, revoked, terminated and rescinded.
5. The moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect.
6. The Memorandum of Association and the Articles of Association of the Company shall be automatically, without any further act or deed, be substituted and replaced with the form of memorandum of association and articles of association (the "**New Charter Documents as Annexure-9**"). It is clarified that the approval of the Adjudicating Authority pursuant to Section 31 of the IBC shall constitute adequate approval for the adoption of the New Charter Documents, in accordance with all provisions of Applicable Law. Accordingly, no further approval or consent shall be necessary from any other Person/ Governmental Authority in relation to either of these actions under any agreement, the existing constitution documents of the Company or under any applicable law.
7. On the Effective Date, the registered office of the Company shall be deemed to be shifted to **Tulsi Terrace, 3<sup>rd</sup> Floor, 275, S B S Road, Fort, Mumbai (M.H.) 400001** immediately on NCLT Approval Date with no further deed or action.
8. All shareholder resolutions and approvals from creditors required for the implementation of this Resolution Plan including under Companies Act, 2013 for the transactions contemplated in this Schedule following the Effective Date would be deemed to have been granted.
9. The Monitoring Committee shall handover all passwords, bank account, cheques, documents /ERP system access etc. to the Resolution Applicant only on payment of the Upfront Payment of 3.01 crore by the Resolution Applicant to the Financial Creditor and the Committee shall thereafter cease to exist and its powers shall stand terminated.
10. All authorisations/powers of attorney provided by the Corporate Debtor shall cease to have any effect.

#### **V. PRAYERS IN THE APPLICATION FOR THE RESOLUTION PLAN**

The Resolution Professional shall, in its application for seeking approval of this Resolution Plan (in the event of approval of the same by the COC), also seek the following specific orders from the Adjudicating Authority:

- (i) approving the Capital Reduction in the manner as contemplated under the Resolution Plan;
- (ii) the existing Board shall stand vacated and be replaced by the Monitoring Committee with

effect from the NCLT Approval Date until the Effective Date;

- (iii) the Board of the Company as of the NCLT Approval shall stand vacated and be replaced by the nominees of the Resolution Applicant with effect from the Effective Date;
- (iv) The key reliefs, concessions and entitlements sought in **Schedule 7** be granted. In the event that above reliefs, concessions and entitlements are not granted, the Resolution Applicant has the right to modify the contents of the resolution plan or withdraw the resolution plan

Resolution Applicant shall have “no recourse” against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. In avoidance of doubt, in case the resolution plan is withdrawn, the amount deposited in the form of EMD shall not be forfeited & refunded to Resolution Applicant by the CoC/Financial Creditors and the Resolution Applicant shall not be liable to pay any amount to Resolution Professional and CoC/Financial Creditors.

## VI. SUPERVISION OF THE IMPLEMENTATION

On and from the NCLT Approval Date, the Monitoring Committee shall constitute the board of the Company and be responsible for the implementation of this Resolution Plan along with the Resolution Applicant until the Effective Date.

On and from the NCLT Approval Date and until the Effective Date, it is proposed that the Company will continue to be managed and controlled by the Resolution Professional under the guidance of a **Monitoring committee** (the “**Monitoring Committee**”), comprising of 1 representative of Approving Financial Creditor, the Resolution Professional (in professional capacity) and 1 representative of the Resolution Applicant. During this period: (i) the existing board of directors of the Company (the “**Existing Board**”) shall stand vacated and be replaced by the members of the Monitoring Committee (“**Reconstituted Board**”); and (iii) the Monitoring Committee shall, subject to the provisions of this Resolution Plan, be deemed to have the same rights, powers and privileges which the Resolution Professional has during the CIRP.

Notwithstanding the aforementioned powers conferred on the **Reconstituted Board**, on and from the NCLT Approval Date until the Effective Date (both days inclusive), the **Monitoring Committee**, the Resolution Professional and the Reconstituted Board shall not undertake any of the following actions:

- (a) entry by the Company into unrelated line of business;
- (b) any acquisition or disposition of assets by the Company;
- (c) any capital expenditure;

- (d) any merger, demerger, reorganisation or dissolution of the Company;
- (e) establishment of subsidiaries, joint ventures and/or partnerships by the Company;
- (f) any issuance or allotment of any securities in favour of any Person;
- (g) any change to the accounting or tax policies of the Company;
- (h) giving / incurring any indebtedness by the Company;
- (i) revision in the wages/salaries or any remuneration including perquisites payable to the workmen/employees of the Company;
- (j) execute any contract except short term contracts in ordinary course for purchase or sale of raw materials or finished goods;
- (k) any agreement or commitment to do any of the above.

If this Resolution Plan is approved by the CoC, the Resolution Applicant shall (prior to the NCLT Approval Date) agree on the fees, costs and expenses which may be incurred by the Resolution Professional and the Monitoring Committee in discharging its duties as set out above from the NCLT Approval Date till the Effective Date (the “**Interim Management Costs**”). The Interim Management Costs shall be paid by the Resolution Applicant which is exclusive of the total resolution amount of **Rs. 3,01,00,000/- (Rupees Three Crore and One Lakh only)**.

Upon discharge by Resolution Applicant of the Upfront (Full & Final) Payment the Monitoring Committee shall stand dissolved without requirement for any further action thereon.

## VII. TERM AND IMPLEMENTATION SCHEDULE

The Resolution Applicant proposes to use all efforts as may be commercially reasonable to implement this Resolution Plan within a period of 30 Days from the NCLT Approval Date in accordance with the Implementation Schedule and other terms contained in this Resolution Plan.

The Resolution Applicant proposes to implement of the Resolution Plan in the following manner (“**Implementation Schedule**”):

STEP	ACTION	TIME
Step 1	<b>NCLT Approval Date</b> - Reconstitution of the Board of the Company - Continuation of Moratorium under Section 14 of the IBC	T

Step 2	<b>Effective Date</b> <ul style="list-style-type: none"> <li>- The Capital Reduction shall become effective</li> <li>- The Resolution Applicant (either by itself or SPV) shall infuse the Equity Commitment in the manner specified in Paragraph III of this Schedule</li> <li>- Other actions specified in Paragraph- IV of this Schedule shall take effect.</li> </ul>	T+30
Step 3	<b>Payment to Creditors:</b> <ul style="list-style-type: none"> <li>- Payment of the CIRP Costs</li> <li>- Payment of the Upfront (<b>FULL &amp; FINAL</b>) Payment Amount to the Approving Financial Creditors.</li> </ul>	T+30

## VIII. IMPLEMENTATION OF THE RESOLUTION PLAN

### 1. Right to Receivables

Nothing in this Resolution Plan shall affect the rights of the Company to recover any amounts due to the Company from any third party including any Related Parties of the Company and there shall be no set-off of any such amounts recoverable by the Company against any amount paid by the Company or any liability extinguished pursuant to this Resolution Plan. However the Company and the RA shall not have any right over any recoveries made from filing of any avoidance application under the IBC which shall solely accrue to the financial Creditor and the cost of pursuing such litigation will also be borne by the Financial Creditor.

### 2. Carry Forward losses

The Corporate Debtor shall be considered as a closely held company for the purposes of Section 79 read with Section 2(18) of the Income tax Act, 1961. Having said that the change in the shareholding of the Corporate Debtor pursuant to this Resolution Plan approved by the NCLT shall not result to lapse of any brought forward losses of the Corporate Debtor, and NCLT shall accord its approval to the Resolution Plan under the Code after affording a reasonable opportunity of being heard to the jurisdictional principal commissioner or commissioner of Income tax.

### 3. Management and control of the business of the Company during the term of the Resolution Plan

On and from the NCLT Approval Date, the Company will be managed and controlled by the reconstituted board of the Company.

#### 4. Proposal relating to subsidiaries, associate companies and joint ventures of the Company

As per the information available to us from information memorandum, there are no Subsidiaries, Associates and Joint Ventures of the Company. However, The Resolution Applicant and the Company shall not be liable towards any claims or obligations (present or future, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, disputed or undisputed) towards or relating to the subsidiaries or associate companies of the Company, domestic or foreign, that relate to a period prior to the NCLT Approval Date, including in relation to any undertakings or guarantees issued by the Company for such subsidiaries and associate companies, in any manner whatsoever. Without prejudice to the aforementioned, all guarantees/supports/credit comforts /put options/indemnities or any agreement of similar nature given by the Corporate Debtor in relation to such subsidiaries or associate companies before NCLT Approval Date shall stand irrevocably and unconditionally withdrawn for no consideration and no claim shall be made pursuant to such guarantees/supports/credit comforts /put options/indemnities or any agreement of similar nature whether for actions prior or post the NCLT Approval Date.

#### 5. Filing of approved plan with relevant authorities and forums

On and from the Effective Date, necessary steps will be taken by the Resolution Applicant to file the same with various governmental authorities, including tax authorities/department, other government departments, and also before the various Courts, Tribunals and regulatory authorities where proceedings with respect to the Company are pending, for disposal of all such proceedings.

6. Any stamp duty liabilities or Tax liability arising pursuant to the transactions contemplated under this resolution plan shall be exempted or waived off.

#### 7. Severability and compliance with law

In the event it is determined that any provisions of the Resolution Plan is unenforceable and/or in the event any provision of the Resolution Plan becomes invalid for reasons other than by breach by the Resolution Applicant of the terms of the Resolution Plan, the Resolution Applicant reserves the right to apply to the Adjudicating Authority for appropriate modification of such provisions of the Resolution Plan, with the prior approval of the CoC, and such invalidity and/or unenforceability of the provision of the Resolution Plan shall not render the whole Resolution Plan ineffective, unless otherwise directed by an order of the Adjudicating Authority.

In case any such modification is required in the Resolution Plan after the receipt of

Adjudicating Authority's approval, to comply with any applicable laws currently in force or to apply for certain approvals as required under the Resolution Plan or for any other requirements, without prejudicing to the economic interest of any person entitled to receive any payment as contemplated under this Resolution Plan, the Resolution Applicant can do so only after approval of the Adjudicating Authority.

**SCHEDULE 4**  
**FINANCIAL PROPOSAL FOR ALL STAKEHOLDERS**

**2. MANDATORY CONTENTS OF THE RESOLUTION PLAN**

If this Resolution Plan is approved by the CoC, the Resolution Applicant agrees on the fees, costs and expenses which may be incurred by the Resolution Professional and the Monitoring Committee in discharging its duties as set out above from the NCLT Approval Date till the Effective Date (the “**Interim Management Costs**”). The Interim Management Costs shall be paid by the Resolution Applicant which is exclusive of the total resolution amount of **Rs. 3,01,00,000/- (Rupees Three Crores and One Lakh only)**.

### **Distribution of Liquidation Value**

The ‘liquidation value’ of the Company as determined by the Resolution Professional in accordance with the IBC (the “**Liquidation Value**”) has not been shared with the Resolution Applicant.

Accordingly, based on the List of Creditors provided in the Information memorandum:

- (a) It is presumed that the Liquidation Value will not be sufficient to cover the amounts owed to Secured Financial Creditors of the Company in full;
- (b) It is presumed that the Liquidation Value of the Operational Creditors or the other creditors or stakeholders of the Company (including claims of employees, workmen government dues, taxes, etc. and other creditors and stakeholders) is nil and accordingly they will not be entitled to receive any payment if the Company were to be liquidated on the insolvency commencement date and
- (c) As there is only one financial creditor there is no possibility of any dissenting financial creditor.

Rs.189905/- claim has been received from the Regional Provident fund office Bandra Mumbai towards employee dues which shall be paid additionally by the resolution applicant over and above the resolution amount.

### **CIRP Costs**

It is presumed that as the company is not under operation during the CIRP period, therefore, there are no cash flows generated by the Company to pay the CIRP Costs and the Resolution Professional. The CIRP Costs estimated by the Resolution Applicant are approximately Rs. 35,00,000 (Rupees Thirty Five Lakhs Only) and will be paid in full and in priority to any other creditor of the Company. In case the actual CIRP

costs are lower than that estimate, the balance provision towards CIRP costs shall be allocated towards payment to financial creditors. In case the CIRP costs exceed the estimate, the extra costs shall be adjusted out of payment proposed for Financial Creditors such that the Total Upfront (Full & Final) Payment (including CIRP costs) proposed by the Resolution Applicant does not exceed the total resolution amount of **Rs. 3,01,00,000/- (Rupees Three Crores and One Lakh only)**.

## Proposal for Financial Creditors

- i. According to List of Creditors of the Company as provided in the information memorandum ("**List of Creditors**"), total claims filed by the 'financial creditors' of the Company (the "**Financial Creditors**") amount to INR 34,97,01,150 out of which claims aggregating to INR **34,97,01,150** have been verified and admitted for the purposes of CIRP by the Resolution Professional ("**Admitted Financial Debt**"). Of the Admitted Financial Debt:
  - (a) the verified and admitted claims of the secured Financial Creditors (the "**Secured Financial Creditors**") amount to INR **34,97,01,150**; and
  - (b) the verified and admitted claims of the unsecured Financial Creditors (the "**Unsecured Financial Creditors**") amount to **NIL**.
  - (c) Rs. 189905/- has been claimed by the Provident Fund office as PF dues to workers. and the same has been admitted.
- ii. All other claims relating to bank guarantees or letters of credit as may have been issued by the Financial Creditors, whether or not such bank guarantees or letters of credit from part of the Admitted Financial Debt, including all liabilities or claims arising therefrom whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future (and whether or not the originals of such bank guarantees or letters of credit are returned to the Financial Creditor which had issued it), in relation to any period prior to the NCLT Approval Date or arising on account of the acquisition of the Company contemplated in this Resolution Plan or on account of the measures contemplated under this Resolution Plan, shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently cancelled and extinguished on and with effect from the date of Upfront Payment by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto. It is clarified that if any of the aforementioned bank guarantees or letters of credit are invoked or get devolved there will be no liability on the Company to make payments/reimburse the relevant Financial Creditor

in relation to such invocation or devolvement. Further, the Company shall not be required to pay any fees or commissions in relation to such guarantees or letters of credit.

- iii. As there is only one financial creditor there is no possibility to have a dissenting financial creditor, as such no need to provide any amount in this regard.
- iv. Post the payment of CIRP Costs, the Admitted Financial Debt owing to the Approving Financial Creditors (the “**Approving Financial Creditor Debt**”) will be dealt with in the following manner:
  - (a) The difference between (i) Capital Commitment and (ii) the CIRP Costs shall be paid to the Approving Financial Creditor within a period of 30 days from the NCLT Approval Date, i;
  - (b) An additional amount of Rs. 189905/- towards the PF dues of the erstwhile workers of the company shall be paid by the Resolution Applicant over and above the amount of 3.01 crores.
- v. For the avoidance of doubt, all accrued or unpaid interest, including penal interest, fees, commission, charges etc. in relation to the Financial Debt of the Company, arising on or after commencement of the CIRP in respect of the Company and until the NCLT Approval Date will by virtue of the order of the Adjudicating Authority approving this Resolution Plan be: (I) written off in full and shall , in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving the resolution plan and with effect from the date of Upfront (Full & Final) Payment.  
(II) be deemed to have stopped accruing on and from insolvency commencement date and the Company and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.
- vi. Any and all other dues including claims or demands made by or liabilities or obligations owed or payable to (including any demand for any losses or damages, principal, interest, compound interest, penal interest, liquidated damages, notional or crystallised mark to market losses on derivatives and other charges already accrued/ accruing or in connection with any third party claims) any actual or potential Financial Creditors of the Company or any other person in favour of whom the Company has granted any guarantee or security or in connection with any debt of the Company including those arising out of any counter guarantees, other corporate guarantees or indemnities issued by the Company, and any transactions in derivatives), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future,

whether or not set out in the, the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, in relation to any period prior to the NCLT Approval Date or arising on account of the acquisition of control of the Company pursuant to Resolution Plan or on account of the measures contemplated under this Resolution Plan, shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished on and from the date of Upfront (Full & Final) Payment by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- vii. Any and all claims, rights and entitlements of any actual or potential Financial Creditors of the Company, including any contracts entered into by the Company with such creditors, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the NCLT Approval Date or arising on account of acquisition of control of the Company pursuant to this Resolution Plan, or on account of the measures contemplate under this Resolution Plan shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished, and all the contracts entered into by the Company with such creditors will be deemed to be terminated without any liabilities, claims or obligations whatsoever arising out of or in relation to such contracts, after the receipt of Upfront payment by the Financial Creditor by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company and the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.
- viii. Any security, indemnity, pledge, charge, encumbrance, or any other form of collateral (whether over immovable, movable assets, fixed deposits, margin money, cash collateral or any other rights or privileges at any time prior to NCLT Approval Date shall, in accordance with Regulation 37 of the CIRP Regulations, stand permanently extinguished on and with effect from the date of Upfront Payment pursuant to the approval of this Resolution Plan by the Adjudicating Authority. All title deeds and other documents held by the Financial Creditors and such stakeholders that have security or on their behalf relating to any security, indemnity, pledge, charge, encumbrance, or any other form of collateral (whether over immovable, movable assets, fixed deposits, margin money, cash collateral or any other rights (including subrogation rights arising out of invocation of guarantees) shall be returned to the Company upon the receipt of the Upfront Payment in accordance with the Plan.
- ix. If any person has issued any guarantee, indemnity, letters of comfort, letters of support, credit comforts, sponsor supports or undertaken similar obligations in respect of any debt or other obligation of Company, the right of such person relating

to subrogation and/ or to claim any amounts in respect of such obligations against the Company, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period to the NCLT Approval Date or arising on account of acquisition of control of the Company pursuant to this Resolution Plan, or on account of the measures contemplated under this Resolution Plan shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished, and all the contracts entered into by the Company with such creditors will be deemed to be terminated without any liabilities, claims or obligations whatsoever arising out of or in relation to such contracts, on and from the date of Upfront Payment by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company, the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto. It is clarified that the beneficiary of any guarantees issued on behalf of the Company and the guarantor thereof will do all acts and execute all agreements/documents as may be necessary to give effect to the extinguishment of the subrogation rights of such guarantor of the Company.

- x. The Financial Creditor shall have the right to invoke the personal/corporate guarantees if any, at any point of time, which were created in relation to the Financial Debt of the Company and the present resolution plan shall in no way affect the right of the Financial Creditor in this regards.
- xi. All amounts received pursuant to exercise of powers and obligations by the Resolution Professional under Sections 43 to 51 (both inclusive) and Section 66 of the Code shall, without requiring any action on the part of the Resolution Applicant or the Corporate Debtor, be vested in the Secured Financial Creditor and applied by the Resolution Professional in the same manner as the rest of the financial settlements in this Plan towards the Secured Financial Creditor, subject to any orders passed by the NCLT.

## PROPOSAL FOR OPERATIONAL CREDITORS

- i. As per the List of Creditors:
  - (a) total claims filed by Operational Creditors (excluding workmen and govt dues & taxes) amounts to **NIL** which have been verified and admitted for the purposes of CIRP by the Resolution Professional ("**Admitted Operational Creditor Debt** ").
  - (b) no claims in relation to workmen's dues have been received by the Resolution Professional and consequently the workmen's dues as verified and admitted by the Resolution Professional is nil.
- ii. The Liquidation Value is insufficient for payment to the Operational Creditors of the Company as the Liquidation Value is insufficient to satisfy the claims of even the Secured Financial Creditors in full. and nil payment has been proposed under the

Resolution Plan towards claims of Operational Creditors whether filed or not, whether admitted or not, whether asserted or not and whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors and no source has been identified for such payment under this Resolution Plan.

- iii. Any and all other claims or demands, or liabilities or obligations owed or payable to (including but not limited to any Operational Debt, any demand for any losses or damages, indemnification, principal, interest, compound interest, penal interest, liquidated damages, and other charges already accrued/ accruing or in connection with any third party claims) any actual or potential creditor, vendor, contracting counterparty, government authority, claimant or any other person whatsoever (including, for the avoidance of doubt, but not limited to the Operational Creditors of the Company and its promoters, directors and other related parties), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, in relation to any period prior to the NCLT Approval Date or pursuant to this Resolution Plan or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan, or on account of the measures contemplated under this Resolution Plan will be written off in full and shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company, the Resolution Applicant and the Resolution Professional shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

Any and all rights and entitlements of any actual or potential person, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the NCLT Approval Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan or on account of the measures contemplated under this Resolution Plan, shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company, the Resolution Applicant and the Resolution Professional shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.

- iv. Accordingly,
- (a) Upon payment of the Upfront (Full & Final) Payment, the contracts relating to:
- (I) the Dissenting Financial Creditors shall be terminated immediately (and without any further notice) on and from the date of payment of the Liquidation Value owing to such Dissenting Financial Creditors;
  - (II) the Approving Financial Creditors shall be terminated against the Resolution Applicant and the Corporate Debtor (and without any further notice) on and from the date of payment of Upfront (Full & Final) Payment Amount in accordance; and
- (b) The Operational Contracts for conduct of the business of the Company, and all other contracts entered into by the Company with any counterparty (shall be deemed to be terminated, and all liabilities, damages or claims arising therefrom, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the NCLT Approval Date, be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company, the Resolution Applicant and the SPV shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

## Employees/Workmen

- i. The Liquidation Value owing to employees and workmen of the Company is nil as: no claims from the employees and workmen have been verified and admitted for the purposes of CIRP by the Resolution Professional; and (b) the Liquidation Value is insufficient to satisfy the claims of even the Secured Financial Creditors in full. Accordingly, no amounts are proposed to be paid to employees and workmen of the Company as part of the Resolution Plan on account of which, no source of funds have been identified in this regard. Since these claims have not been admitted by the Resolution Professional, no payments are proposed to be made under this Resolution Plan.
- ii. Any and all claims or demands made by, or liabilities or obligations owed or payable to, (including any demand for any losses or damages, or interest, back wages, compensation, penal interest, liquidated damages already accrued/ accruing or in connection with any claims) any present or past, direct or indirect, permanent or temporary employee and/or workman of the Company, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or

unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, in relation to any period to the NCLT Approval Date or arising on account of the acquisition of control of the Company pursuant to this Resolution Plan or on account of the measures contemplate under this Resolution Plan, will be written off in full and shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- iii. Upon approval of this Resolution Plan by Adjudicating Authority and implementation of the Resolution Plan in accordance with the provisions of this Resolution Plan, the employee and workmen policies of the Resolution Applicant shall be applicable to the employees and workmen of the Company and to the extent there is any inconsistency between the employee and workmen policies of the Resolution Applicant and the Company, the terms of the employee and workmen policies of the Resolution Applicant shall be applicable. Such change in the terms and conditions of the employee and workmen policies shall not be considered as terms less than favorable to the and no retrenchment compensation shall be payable under the Industrial Disputes Act, 1947 or any other law or contract.

## OUTSTANDING GOVT. DUES, TAXES,ETC.

- i. Total claims filed and admitted of Government and Statutory Authority dues amounts to INR **Nil** for the purposes of CIRP by the Resolution Professional (“**Admitted Operational Creditor Debt**”). There is no Liquidation Value owing in respect of outstanding government dues, taxes, and other liabilities of the Company (which are in the nature of debt owed to Operational Creditors of the Company). Therefore, **NIL** payment has been proposed under the Resolution Plan towards payment of any outstanding government dues, taxes, and any other liabilities of the Company and no source has been identified for such payment under this Resolution Plan.
- ii. Accordingly, all claims or demands made by, or liabilities or obligations owed or payable to, whether assessed or not, by, the Central government, the State governments, any regulatory or local authority or body or any agency or instrumentality thereof, in relation to any dues, all dues under the provisions of any direct tax laws, indirect tax laws, including but not limited to, the Central Excise Act, 1944, the Finance Act, 1994 (Service Tax), the Customs Act, 1962, Value Added Tax Act, 2005, the CENVAT Credit Rules, 2004, the Electricity Act, 2003, the Goods and Services Tax Act, 2017(each as amended from time to time and including the rules made thereunder) including entry taxes, electricity duty, cross subsidy on electricity duty, sales tax deferral liabilities, duties, penalties, interest, fines, cesses, charges, unpaid tax deducted at source or tax collected at source, Octroi tax, stamp duty, local

body tax, municipal taxes, or other fiscal incentives duties (including stamp duties), electricity dues and duties, water resource department related dues, enterprise social commitment fund in relation to environment, penalties, fees, interest, fines, levies, cesses, royalties, assessments or additions or any other charges or payments whatsoever (including without limitation, the direct and indirect tax liabilities set out in **(Details of Contingent Liabilities - NIL)** and **Annexure \_\_ (Details of Company Litigation)** and any liabilities in relation to any consent, permission, privilege, entitlement, exemption, benefit, license or approval granted to the Company or in relation to the Company, whether or not such consent, permission, privilege, entitlement, exemption, benefit, license or approval is subsisting, lapsed or expired), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, in relation to any period prior to the NCLT Approval Date or arising on account of the acquisition of control by the Resolution Applicant over the Company pursuant to this Resolution Plan or on account of the measures contemplated under this Resolution Plan, shall be written off in full and shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company, the Resolution Applicant and shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto. All notices, assessments, appellate or other proceedings pending or threatened in relation to the Company, in relation to any period prior to the NCLT Approval Date or arising on account of the acquisition of control by Resolution Applicant over the Company pursuant to this Resolution Plan, or on account of the measures contemplated under this Resolution Plan shall stand terminated and withdrawn and all consequential liabilities, if any, shall, in accordance with Regulation 37 of the CIRP Regulations, stand extinguished and be considered as not payable by the Company on and with effect from the date of payment of Upfront Payment by the Resolution Applicant by virtue of the order of the Adjudicating Authority approving this Resolution Plan and any re-assessment, revision or other proceedings under the provisions of an indirect tax law would be deemed to be barred in relation to any period prior to the NCLT Approval Date, by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company and Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- iii. All liabilities (including without limitation, for any penalty, interest, fines or fees) or obligations of the Company, in relation (A) any investigation, inquiry or show-cause, whether civil or criminal; (B) any non-compliance of provisions of any laws, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consents or permits including any requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (C) change of control, transfer charges, unearned increase, compensation, or any other such liability whatsoever under any contract, agreement,

lease, license, approval, consent or permission to which the Company or its subsidiaries, joint ventures or associates are entitled; (D) any leasehold rights or freehold rights to movable or immovable properties in the possession of the Company; and (E) any contracts, agreements or commitments made by the Company, in each of the foregoing cases whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, in relation to any period prior to the NCLT Approval Date or on account of the measures contemplated under this Resolution Plan or arising on account of the acquisition of control by Resolution Applicant over the Company pursuant to this Resolution Plan, will be written off in full and shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished on and from the date of payment of Upfront Payment by the Resolution Applicant by virtue of the order of the Adjudicating Authority approving this Resolution Plan and all such investigations, inquiries or show-cause, whether civil or criminal in relation to the foregoing shall be disposed of, and the Company and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

### Proposal for other stakeholders (including other creditors)

- i. In relation to any other person (including creditors and/or stakeholders (who is entitled to receive any amounts under Section 53 of the IBC)) whose claims have not been covered above or who makes any claims in the future, there will be no funds available for payment to them as the Liquidation Value is insufficient. Therefore, **NIL** payment has been proposed under the Resolution Plan towards payment to such creditors and/or stakeholders and no source has been identified for such payment under this Resolution Plan.
- ii. Any and all claims or demands in connection with or against the Company and all liabilities or obligations of the Company (including any demand for any losses or damages or in connection with any third party claims or any investigations by any governmental bodies or authorities) both present and future by or to any other stakeholder (who is entitled to receive any amounts under Section 53 of the IBC) including those under Section 53(1)(b) of the IBC or any other actual or potential creditor, any counter-party, any subsidiary, joint venture or associate company of the Company or a shareholder of the Company or the holder of any other securities of the Company prior to the NCLT Approval Date) whether under law, equity or contract, whether admitted or not, due or contingent, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, and all inquiries, investigations or proceedings in relation to the foregoing, whether civil or criminal, in relation to any

period prior to the NCLT Approval Date or arising on account of the acquisition of control by Resolution Applicant over the Company pursuant to this Resolution Plan or on account of the measures contemplated under this Resolution Plan, will be written off in full and shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished on and from the date of payment of Upfront Payment by the Resolution Applicant by virtue of the order of the Adjudicating Authority approving this Resolution Plan and all the investigations, inquiries or show-cause, whether civil or criminal in relation to the foregoing shall be disposed of and the Company, the Resolution Applicant and the Resolution Professional shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- iii. All liabilities, claims, obligations or rights in relation to any letters of credit, letters of undertaking, guarantees, counter guarantees, corporate guarantees, bank guarantees, performance guarantees or other contingent or future claims, liabilities and/or commitments of any nature whatsoever, including without limitation, those specifically set out in information memorandum issued by, or on behalf of, or at the behest of, the Company, or incurred or undertaken by the Company (as the case may be), in relation to any period prior to the NCLT Approval Date or arising on account of the acquisition of control by Resolution Applicant over the Company pursuant to this Resolution Plan, whether asserted or unasserted, whether admitted or not, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or List of Creditors, will be written off in full and shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be permanently extinguished, by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company, the Resolution Applicant and the shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

It is clarified that the beneficiary of any guarantees issued on behalf of the Company and the guarantor thereof will do all acts and execute all agreements/documents as may be necessary to give effect to the extinguishment of the subrogation rights of such guarantor of the Company.

## PROPOSAL FOR EXISTING SHAREHOLDERS

- i. Pursuant to the effect of the Capital Reduction as of the Effective Date and in accordance with Schedule III of this Resolution Plan, existing issued equity share capital of Rs.49,00,000 (Rupees Forty Nine Lakhs) equity shares divided into 4,90,000 equity shares of Rs. 10 each shall stand cancelled for **NIL** consideration.
- ii. All present and future, claims, dues, liabilities, amounts, arrears, dividends or obligations owed or payable by the Company to any person who holds securities of the Company prior to the NCLT Approval Date, whether admitted or not, due or

contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be written off in full and be permanently extinguished on and from the date of payment of Upfront Payment by the Resolution Applicant by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- iii. Upon approval of this Resolution Plan by Adjudicating Authority, the rights of any Person (whether exercisable now or in the future), either directly or indirectly, and whether contingent or not, to call for the allotment, issue, sale or transfer of shares of the Company, shall stand unconditionally and irrevocably extinguished. All employee stock options and sweat equity shares, whether granted, vested or otherwise, shall stand irrevocably and unconditionally cancelled and extinguished without further deed or action and for no consideration.
- iv. No person who holds any shares (whether equity, preference or any instrument convertible into equity shares) of the Company (including the Existing Preference Shareholders) till (and including) the NCLT Approval Date shall have any rights relating to such shares (including voting rights in relation to the affairs of the Company or any pre-emption rights) which rights shall be deemed to be suspended by virtue of approval of this Resolution Plan by the Adjudicating Authority. On and from the NCLT Approval Date, the rights relating to all shares (where equity, preference or any instrument convertible into equity shares) of the Company shall come into effect without any further deed, action or thing to be done, which rights shall be exercisable in accordance with the terms of such shares (where equity, preference or any instrument convertible into equity shares) and applicable law.
- v. Upon approval of this Resolution Plan by Adjudicating Authority, any agreement executed between the Company and its shareholders shall stand terminated without any further action or deed and all liabilities and obligations of the Company under such agreements executed between the Company and its shareholders and their respective successors assigns, transferees shall stand extinguished and cancelled for no consideration.
- vi. All present and future, claims, dues, liabilities, amounts, arrears, dividends or obligations owed or payable by the Company to the Existing Promoters or any subsidiary, associate company, related party, joint ventures, affiliate of the Company or any such entity or person controlled by the Existing Promoters (or any lenders or financial creditors of such persons) or any holder of any securities (whether convertible into equity shares or not) of the Company prior to the NCLT Approval Date whether admitted or not, due or contingent, asserted or unasserted, crystallised or

uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company or the List of Creditors, shall, in accordance with Regulation 37 of the CIRP Regulations, be deemed to be written off in full and be permanently extinguished on and from the date of payment of Upfront Payment by the Resolution Applicant by virtue of the order of the Adjudicating Authority approving this Resolution Plan and the Company (including its subsidiaries, associates, joint ventures or affiliates), the Resolution Applicant and the Resolution Professional, shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- vii. It is clarified that the existing promoters, shareholders, managers, directors, officers, or such other person in charge of the affairs and management of the Company (including any person who was an 'officer in default' or 'occupier') shall continue to be responsible and liable for all the liabilities, claims, demand, obligations, penalties etc. arising out of any (i) proceedings, inquiries, investigations, orders, show causes, notices, suits, litigation etc. (including those arising out of any orders passed by the Adjudicating Authority pursuant to Sections 43, 45, 49, 50, 66, 68, 70, 71, 72, 73, 74 of the IBC) or any acts or omissions in breach of applicable law (including but not limited to environmental laws, foreign exchange laws and regulations, labour and employment laws, and laws relating to anti-corruption and prevention of money laundering or diversion of funds) which occurred prior to the NCLT Approval Date, whether civil or criminal, pending before any authority, court, tribunal or any other forum prior to the NCLT Approval Date or (ii) that may arise out of any proceedings, inquiries, investigations, orders, show cause, notices, suits, litigation etc. (including any orders that may be passed by the Adjudicating Authority pursuant to Sections 43, 45, 49, 50, 66, 68, 70, 71, 72, 73, 74 of the IBC), whether civil or criminal, that may be initiated or instituted post the approval of the Resolution Plan by the Adjudicating Authority on account of any transactions entered into, or decisions or actions taken by, such existing promoters, shareholders, managers, directors, officers, employees, workmen or other personnel of the company, and the Company, the Resolution Applicant and the Resolution Professional shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

For avoidance of any doubt, any proceedings, inquiries, investigations, orders, show cause, notices, suits, litigation etc., whether civil or criminal, that are initiated or instituted pre or post of the approval of the Resolution Plan by any person on account of any transactions entered into, or decisions or actions taken by, such existing promoters, shareholders, managers, directors, officers, employees, workmen or other personnel of the company with the said person, in such circumstances, the Resolution Applicant or the Company shall not be held liable in any manner and the previous promoters, management, officer, employees and any person related to previous promoters shall be held liable for the same.

## Statement in relation to dealing with all stakeholders

This Resolution Plan for the Company has dealt with the interests of all the stakeholders in the Company, including the Financial Creditors (whether secured or unsecured, assenting or dissenting), Operational Creditors and all other stakeholders of the Company and to the extent possible, provided for payments to the stakeholders of the Corporate Debtor as set out in Schedule IV (Financial Proposal for all Stakeholders).

The Resolution Applicant hereby confirms that the Resolution Plan –

- (a) addresses the cause of default;
- (b) is feasible and viable;
- (c) has provisions for its effective implementation;
- (d) has provisions for approvals required and the timeline for the same; and
- (e) and the resolution applicant has the capability to implement the resolution plan

Further, the Resolution Applicant confirms that it has submitted an affidavit to the Resolution Professional stating that as on the date of this Plan and on the basis of the records of the Resolution Applicant, the Resolution Applicant is eligible to submit the Plan under Section 29A of the Code.

## SCHEDULE 5 BUSINESS PLAN

### 1. BUSINESS PLAN

Set out below is the business plan for the Company that the Resolution Applicant intends to pursue upon acquisition of control over the Company pursuant to this Resolution Plan. This business plan is based:

- (i) on the information made available to the Resolution Applicant by the Resolution Professional in relation to the Company in the Information Memorandum;
- (ii) based on the assumption that the fixed assets of the Company as set out in the Balance Sheet as on 31.03.2017 and provided with the information memorandum have not been alienated, disposed or transferred in any manner (and nor has any security interest or encumbrance been created over such assets after the commencement of CIRP in respect of the Company; and
- (iii) based on the assumption that presently the company is not carrying any operational activity. This business plan is subject to change and refinement depending on further information becoming available to the Resolution Applicant, changes in scenarios and market conditions, strategic/operational thought of the Resolution Applicant, among other relevant factors:

### 2. OPERATIONS

The resolution applicant is engaged in the trading activity of the Iron & Steel product. The management of the resolution applicant, possess adequate knowledge of the industry and are therefore, competent to undertake manufacturing activity in the same industry through assets of Corporate debtor.

Post NCLT approval date and taking over management of Corporate Debtor, the resolution applicant will make market study of the Iron & Steel product and viability of the manufacturing it with respect to Government guidelines & policies.

Being in the same field, the resolution applicant can bring in experts in order to commence commercial operations of the unit.

With a strong net-worth of Rs. 71 Crores, the resolution applicant can infuse required working capital in order to sustain the unit.

The resolution applicant also has ready suppliers and customers on account of its existing business operations in the same area.

The resolution applicant proposes to upgrade and modernize the plant & machinery acquired under CIRP for future sustainability depending on the viability study undertaken.

However, in case of unfavourable market conditions of the industry, the resolution applicant may decide to liquidate the assets acquired in part or lump-sum transfer.

### **Assets of the Company**

Notwithstanding anything stated herein, on and with effect from the date of Upfront Payment of Rs. 3.01 Cr, the Resolution Applicant has the right, at its sole and absolute discretion, to dispose of any asset of the Corporate Debtor, including any non-core assets that it may identify, while operating the Company on a going concern basis.

## SCHEDULE 6

## PAYMENT TO CREDITORS AND COST OF RESOLUTION PLAN &amp; MEANS OF FINANCE

**PAYMENT TO FINANCIAL CREDITORS-**

(Amount in

Rs.)

Name of Banks/FIs	Outstanding as per Claim Form (dues as on 17.07.2018)	Upfront Payment in full & final settlement	Deferred Payment	NPV of Deferred Payment	NPV (Amount and %) of Total payment
Edelweiss Asset Reconstruction Company Ltd.	34,97,01,150	3,01,00,000	NIL	NIL	3,01,00,000
<b>TOTAL</b>	<b>34,97,01,150</b>	<b>3,01,00,000</b>	<b>NIL</b>	<b>NIL</b>	<b>3,01,00,000</b>

**PAYMENT TO OPERATIONAL CREDITORS-**

Name of the Creditors (Unsecured)	Outstanding as per Claim Form (dues as on 17.07.2018)	Amount to be paid as per Plan
<b>NIL</b>		
<b>TOTAL</b>		

**SCHEDULE 7**  
**KEY RELIEFS, CONCESSIONS AND ENTITLEMENTS**

In avoidance of any doubt, the reliefs, concessions, entitlements sought from NCLT are to be provided in order to relieve the company from any future litigations, liabilities, penalties, costs as stated hereunder. Nothing in this plan shall restrict the right of any creditors including but not limited to financial creditors for initiating any action against erstwhile promoters/directors/guarantors which shall not include corporate debtor.

The Resolution Professional shall, in its application for seeking approval of this Resolution Plan (in the event of approval of the same by the COC), also seek the following specific orders from the Adjudicating Authority and the following concessions are crucial & necessary for company. In the event if following concession/key reliefs/entitlements are not provided by NCLT, the resolution applicant shall have the right to modify the plan or withdraw the resolution plan:

(i) Access to Assets of the Company

Upon payment of the Upfront (Full & Final) Payment, each of the lessors /owners of the assets where the Company conducts its business shall provide unrestricted access to the Resolution Applicant, the Company, and each of their respective representatives, employees, officers and agents to such locations without holding any asset of the Company located at such premises for ransom.

(ii) Consents and Permits

Upon approval of this Resolution Plan by Adjudicating Authority, all actions stated in this Resolution Plan shall be deemed to be approved. Accordingly, any action or implementation of this Resolution Plan shall not be a ground for termination of any Clearances or the like that has been granted to the Company or for which the Company has made an application for renewal or grant.

(iii) Licenses, Consents and approvals

The Resolution Applicant has also considered that by virtue of the order of the Adjudicating Authority approving this Resolution Plan and since the Resolution Applicant would acquire the Company on a 'going concern' basis, all consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Company or to which the Company is entitled or accustomed to shall, notwithstanding any provision to the contrary in their terms and notwithstanding that they may have already lapsed or expired due to any non-compliance or efflux of time, be deemed to continue without disruption for the benefit of the Company and the Resolution Applicant for a period of 18 months from the NCLT Approval Date or until the period mentioned in such Business Licenses, whichever is later.

The Company shall be granted permission from the effective date to apply with competent authorities for renewal of all consent, licenses, clearances, permissions required to carry the operational activity of the unit.

The Company shall be granted a period of 18 months from the NCLT Approval Date to comply with the statutory obligations without suffering any adverse implications

including any revocation of licenses or levy of penalties or any other fees or costs.

At the time renewal of licenses, approvals, consents, permissions attached to the company, all the fees, cost or penalty pertaining to the period prior to NCLT Approval Date shall be waived off and the Resolution Applicant shall not be liable to pay any old fees/costs/penalty whether due or not.

(iv) It is proposed that upon the Upfront payment of full and final resolution amount committed to financial creditor, the Resolution Applicant shall be handed over the possession of the manufacturing unit.

(v) Treatment of ongoing litigation and violations

It is proposed that following the NCLT Approval Date, the Company will investigate as to veracity of any allegations in relation to the non-compliance with the terms of any contract or Clearances obtained by the Company and if so, take or cause to be taken remedial actions in this regard within a reasonable period of time, during which time, the related litigations/ proceedings should be kept in abeyance and that no coercive action be taken against the Company. It is currently expected that a period of 18 months from the NCLT Approval Date will be required for the Resolution Applicant to cause the Company to remedy such underlying breaches (if found to be true).

The liabilities which occurs by way of any order, judgments, decisions passed by any competent authority in respect of any application, petition, complaint filed by any person in the matter of transactions entered by company prior to NCLT approval date shall be borne by the previous management, promoters, their officer in default or any other person related to them and no criminal action shall be taken against Resolution Applicant, the SPV and the Company in relation to any breach of law committed by previous management or promoters and other persons related to them.

(vi) All domain names, servers, being currently used by the Company to the extent not owned shall continue to be available for use by the Company for a period of 3 months from the NCLT Approval Date.

(vii) There shall be no adverse effect on the rights of the Company over its immoveable properties.

(viii) On and from the Effective Date, the Resolution Applicant shall have the right to replace the existing auditors of the Company and appoint new auditors as deemed fit by the Resolution Applicant.

(ix) Any right of subrogation, reimbursement, recompense, under any corporate guarantee, letters of comfort or similar instruments of debt or any obligation provided by any promoter, affiliate or Related Party of the Company shall stand extinguished and become null and void as of the NCLT approval date, on and from the date of Upfront Payment.

(x) Each of the directors whose offices are being vacated pursuant to the provisions of the Resolution Plan, the Related Parties whose Contracts are being terminated pursuant to this Resolution Plan shall have no claim against the Company either in law or tort including on account of any loss of office, profit or repute.

(xi) In case of capital reduction, the requirement of adding "and reduced" in the name of the

Corporate Debtor to be dispensed with (on account of reduction of share capital of the Corporate Debtor).

- (xii) The approval of this Plan by the NCLT shall be deemed to have waived all the procedural requirements in terms of Section 66, Section 42 and Section of the 2013 Companies Act, and the NCLT (Procedure for Reduction of Share Capital) Rules, 2016 for reduction of share capital and issuance of equity shares to Resolution Applicant.
- (xiii) All relevant Governmental Authorities to grant relief from payment of stamp duty and applicable fees (including fees payable to the jurisdictional Registrar of Companies) for the successful implementation of the Plan (including for the capital reduction, issuance of shares).

Resolution Applicant shall have “no recourse” against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. In avoidance of doubt, in case the resolution plan is withdrawn, the amount deposited in the form of EMD shall not be forfeited by the CoC/Financial Creditors and the Resolution Applicant shall not be liable to pay any amount to Resolution Professional and CoC/Financial Creditors

(xiv) **Exemption from taxes**

The NCLT to exempt from levying any type of Taxes and stamp duty, if any, arising on account of transactions consummated or actions undertaken pursuant to the approval of the Resolution Plan by the NCLT in accordance with the Code and not initiate any proceedings there under the provisions of Income Tax Act, 1961 with respect to the transaction, since such taxes and duties, if required to be paid, will render the Plan unviable.

Further, the Waiver of principal Loan amount/and/or waiver of any other creditors as well as waiver of Interest as appearing in the books of accounts of the Corporate Debtor as on the date of NCLT order and written back in the books of account following NCLT order shall not be taxed as perquisite or benefits under section 28(iv) and cessation of liability under section 41(1) or any other relevant sections/rules/regulations of the Income Tax Act."

Resolution Applicant shall have “no recourse” against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. In avoidance of doubt, in case the resolution plan is withdrawn, the amount deposited in the form of EMD shall not be forfeited by the CoC/Financial Creditors and the Resolution Applicant shall not be liable to pay any amount to Resolution Professional and CoC/Financial Creditors

(xv) **Clean Titles on movable and immovable property**

All rights, titles and benefits relating to the movable and immovable properties of the Corporate Debtor after receipt of full Resolution Amount by Financial Creditors as per Resolution Plan shall be vested in the Corporate Debtor free of any title defects or Encumbrances.

Resolution Applicant shall have “no recourse” against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. In avoidance of doubt, in case the resolution plan is withdrawn, the amount deposited in the form of EMD shall not be forfeited by the CoC/Financial Creditors and the Resolution Applicant shall not be liable to pay any amount to Resolution Professional and CoC/Financial Creditors

(xvi) **RBI confirmation on status of Account:**

From the date of Upfront Payment of 3.01 crore by the Resolution Applicant to the Financial Creditor, status of accounts of the Corporate Debtor shall stand regularized and their asset

classification shall be "standard" for the purposes of all RBI Applicable Laws and the name of the Corporate Debtor shall be removed from the list of defaulters/black list of RBI/NHB.

The same will be classified as per RBI/NHB guidelines only.

(xvii) **Extinguishment of corporate guarantee**

All liabilities (whether contingent or crystallized) in relation to any corporate guarantees, indemnities, extension and all other forms of credit support provided by the Corporate Debtor prior to the NCLT Approval Date shall stand extinguished. However, it is clarified that all the liabilities, personal guarantee, corporate guarantee provided by the erstwhile promoters/directors/guarantors of the Corporate Debtor shall be in subsistence and financial creditors shall have the right to continue and proceed against the erstwhile promoters/directors/guarantors which shall not include corporate debtor

Resolution Applicant shall have "no recourse" against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. In avoidance of doubt, in case the resolution plan is withdrawn, the amount deposited in the form of EMD shall not be forfeited by the CoC/Financial Creditors and the Resolution Applicant shall not be liable to pay any amount to Resolution Professional and CoC/Financial Creditors

(xviii) **Handover of books of accounts, clearances, permissions, approvals**

Within seven days of the date of Upfront Payment of 3.01 crore by the Resolution Applicant to the Financial Creditor, the Resolution Professional or Monitoring Committee/ Financial Creditors shall handover all the books of accounts, documents, returns, forms, clearances, permissions, approvals or any other documents, which is in their possession, of the company for the period prior to NCLT Approval Date to the Resolution Applicant. If any documents are not available with Resolution Professional or Monitoring Committee or Financial Creditors, the NCLT shall record its non availability and shall waive any liabilities arising from such documents including but not limited to submission, filing of such documents with the respective authorities.

Resolution Applicant shall have "no recourse" against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. In avoidance of doubt, in case the resolution plan is withdrawn, the amount deposited in the form of EMD shall not be forfeited by the CoC/Financial Creditors and the Resolution Applicant shall not be liable to pay any amount to Resolution Professional and CoC/Financial Creditors

(xix) **Submission of Documents with competent authority**

In future any notice is issued against the Company by any authority to produce the documents pertaining to period prior to NCLT Approval Date and such documents are not provided by Corporate Debtor to the Resolution Applicant, under such circumstances, the Resolution Applicant and the company shall not be liable to produce those documents & details before the competent authority and no penalty or liability shall incur on Resolution Applicant and the company on non-submission of said details & documents and no claims pertaining to period prior to NCLT Approval Date shall be liable on the Resolution Applicant.

Resolution Applicant shall have "no recourse" against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. In avoidance of doubt, in case the resolution plan is withdrawn, the amount deposited in the form of EMD shall not be forfeited by the CoC/Financial Creditors and the Resolution Applicant shall not be liable to pay any amount to Resolution Professional and CoC/Financial Creditors.

**(xx) Status of new acquired unit:**

For all cases, claims etc filed by any person or competent authority, pertaining to period prior to NCLT Approval Date, the Corporate Debtor/ Resolution Applicant shall not be held responsible. No such prior cases, claims, etc shall stand valid after approval of plan from NCLT. Further, since no historical data of any kind is provided to the Resolution Applicant, no liabilities of such prior claims, cases etc shall be On the Resolution Applicant w.e.f NCLT Approval Date.

Resolution Applicant shall have “no recourse” against the Financial Creditor regardless of grant of such reliefs, concessions and entitlements. In avoidance of doubt, in case the resolution plan is withdrawn, the amount deposited in the form of EMD shall not be forfeited by the CoC/Financial Creditors and the Resolution Applicant shall not be liable to pay any amount to Resolution Professional and CoC/Financial Creditors

**(xxi) No-effect of Non Compliance made by Corporate Debtor before NCLT Approval Date:**

All Governmental Authorities to waive the Non-Compliances of the Corporate Debtor prior to the NCLT Approval Date including without limiting to failure to obtain any approval from the Government Authorities with respect to change in control of the Corporate Debtor as per the terms of the Plan.

**(xxii) Cases prior to NCLT approval Date**

All pending or threatened legal, regulatory or administrative proceedings in respect of the Subsidiaries or the affairs of the Corporate Debtor, all inquiries, investigations, notices, causes of action, whether already arisen or expected to arise (and including without limitation civil, criminal, extant exchange control laws, securities laws, any anti-corruption laws applicable to the Corporate Debtor and its Subsidiaries and Tax related Claims) in relation to any period prior to the NCLT Approval Date shall be disposed of and all liabilities or obligations in relation thereto. However, it is clarified that all the liabilities, personal guarantee, corporate guarantee provided by the erstwhile promoters/directors/guarantors of the Corporate Debtor shall be in subsistence and financial creditors shall have the right to continue and proceed against the erstwhile promoters/directors/guarantors in civil/ criminal liabilities which shall not include corporate debtor

**(xxiii) Creditors to Withdraw all proceedings**

All creditors of the Corporate Debtor to withdraw all legal proceedings commenced against the Corporate Debtor in relation to Claims, including all criminal proceedings, proceedings under Section 138 of the Negotiable Instruments Act, 1881 and proceedings under SARFAESI and RDDBFI, after full and final payment made to the Financial Creditors as per Resolution Plan. However, it is clarified that all the liabilities, personal guarantee, corporate guarantee provided by the erstwhile promoters/directors/guarantors of the Corporate Debtor shall be in subsistence and financial creditors shall have the right to proceed against the erstwhile promoters/directors/guarantors which shall not include corporate debtor.

**FINDINGS**

17. On hearing the submissions made by the Ld. Counsel for the Resolution Professional, the Resolution Plan in hand satisfies the minimum threshold of approval by 66% majority of the CoC. Hence, as per the CoC, the plan stands

the requirement of being viable and feasible for revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench.

18. As far as the question of granting time to comply with the statutory obligations / seeking sanctions from governmental authorities is concerned, the Resolution Applicant is directed to do the same within one year as prescribed under section 31(4) of the I&B Code.
19. Further, in case of non-compliance of this order or withdrawal of Resolution Plan, the CoC shall forfeit the EMD amount already paid by the Resolution Applicant.
20. Subject to the observations made in this Order, the Resolution Plan in question is hereby **APPROVED** by this Bench.
21. The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect and the "Moratorium" imposed under section 14 shall cease to have any effect henceforth. The Resolution Professional shall submit the records collected during the commencement of the Proceedings to the Insolvency & Bankruptcy Board of India for their record and also return to the Resolution Applicant or New Promoters. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance. That liberty is hereby granted for moving any Miscellaneous Application if required in connection with implementation of this Resolution Plan. That in respect of stepping by the New Promoters/Resolution Applicant into the shoes of the erstwhile Company and taking over the business, the provisions of Companies Act, 2013 shall be applicable and because of this reason a copy of this Order is to be submitted in the Office of the Registrar of Companies, Mumbai.
22. The RP is further directed to handover all records, premises/factories/documents to Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the

records/premises/factories/documents through Resolution Professional to finalise the further line of action required for starting of the operation.

23. The directions embodied and period of implementation provided herein above shall be effective from the date of this Order.

**Sd/-**  
**CHANDRA BHAN SINGH**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**M.K. SHRAWAT**  
**MEMBER(JUDICIAL)**

**Date : 05.12.2019**

JS