

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.156
IA/860(AHM)2021 in CP(IB) 72 of 2018

Proceedings under Section 30(6) IBC, 2016

IN THE MATTER OF:

Kailash T Shah RP of Sterling Lam Ltd
V/s
Naresh Tradlink Pvt Ltd & Ors

.....Applicant

.....Respondent

Order delivered on ..29/06/2022

Coram:

Madan B. Gosavi, Hon'ble Member(J)
Kaushalendra Kumar Singh, Hon'ble Member(T)

PRESENT:

For the Applicant :
For the Respondent :

ORDER

The case is fixed for pronouncement of the order. The order is pronounced in open court vide separate sheet.

SD/-

KAUSHALENDRA KUMAR SINGH
MEMBER (TECHNICAL)

SD/-

MADAN B GOSAVI
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
COURT-I**

IA/860(AHM)2021 in CP(IB) 72 of 2018

[An application under Section 30 of the Insolvency and Bankruptcy Code, 2016]

In the matter of :

Mr. Ramniklal S. Gosalia & Co.

.....Operational Creditor

Versus

M/s. Sterling Lam Limited

.....Corporate Debtor

In the matter of:

Kailash T Shah

Resolution Professional of
Sterling Lam Limited

Having an address at:

505, 21st Century Business Center,
Near World Trade Centre, Ring Road,
Surat, Gujarat-395002.

.....Applicant

Versus

1. Cosmos Co-Operative Bank Limited

(Sole member of CoC)

Having an address at:

Cosmos Bank Bhawan,
Income Tax Circle, Ashram Road,
Ahmedabad-380009.

2. Naresh Tradelink Private Limited

(Resolution Applicant)

Having an address at:
304, "Aditya", B/H Sardar Patel Samaj Hall,
Nr. Mithakhali Six Road, Navrangura,
Ahmedabad-380006

3. Suspended Management of

M/s Sterling Lam Limited (in CIRP)

a) Dharmesh Mansukhbhai Patel

Having an address at:
9, Parag Society, Nr. Manglam Cinema,
Odhav, Ahmedabad-382415

b) Harshadkumar Valjibhai Patel

Having an address at:
V. D. Mehta Petrol Pump,
Talod, Dist.- Sabarkantha-383215

c) Arvinkumar Vishrambhai Patel

Having an address at:
Paras Society, Near GEB,
Talod, Dist:-Sabarkantha-383215

4. Income Tax Department

Through Principal Commissioner of Income Tax-1

Having an address at:
Aayakar Bhawan, Vejalpur,
Ahmedabad.

.....Respondents

Order Pronounced on: 29.06. 2022

**Coram: MADAN B. GOSAVI, MEMBER (J)
KAUSHALENDRA KUMAR SINGH, MEMBER (T)**

PRESENTS:

For the RP	: Nipun Singhvi a.w. Mr. Vishal Dave, Advocates
Resolution Applicant	: Rasesh Parikh, Advocate
For the Suspended Management:	Mr. Jaimin Dave, Advocate
For the CoC	: Mr. Sandip Bhatt, Advocate.
For the Income Tax Department	: Ms. Maithili D Mehta, Advocate

ORDER

1. The instant application is filed by Mr. Kailash T. Shah, Resolution Professional of M/s. Sterling Lam Limited for approval of the Resolution Plan under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 (**"IB Code"**) of Naresh Tradelink Private Limited.

2. It is submitted that the Corporate Debtor was admitted into the Corporate Insolvency Resolution Process (**"CIRP"**) on 10.11.2020 and a copy of the order was received by the Interim Resolution Professional (**"IRP"**) on 18.11.2020. Mr. Rajendra Jain was appointed as an IRP. The public announcement under regulation 6 of the IBBI (Insolvency Resolution Process of the Corporate Persons) Regulations, 2016 (hereinafter referred to as **"CIRP Regulations"**) was made by the IRP in Form-A on 20.11.2020. The IRP constituted the Committee of Creditors (**"CoC"**) which comprise of a sole member Cosmos Co-Operative Bank Limited. The first meeting of the CoC was conducted on 18.12.2020 and the CoC approved to replace the IRP and appoint Mr. Kailash T. Shah as Resolution Professional (**"RP"**). This Adjudicating Authority confirmed the replacement of the resolution professional vide order dated 10.02.2021 in IA 83 of 2021.

3. It is submitted that the CoC in the 2nd meeting dated 28.01.2021 had resolved to publish the Expression of Interest (**"EoI"**). The Resolution Professional published the same in Form-G on 01.02.2021 and as per the extended period, the last date for submission of EoI was 06.03.2021. The CoC in its 4th meeting dated 28.04.2021 made a deliberation that out of 16 EoIs received from the prospective resolution applicants, only four prospective resolution applicants submitted their resolution plan viz. (i). Shreenathji Rasayan Private Limited, (ii) Silicon Jewels Private Limited along with

Shri Dharmesh Patel, (iii) Naresh Tradelink Private Limited, and (iv) Kaniyalal Shah with Ors. The applicant has also stated that the CoC also resolved to extend the period of CIRP by 90 days beyond 180 days as the period of CIRP was to be expired on 08.05.2021. The extension of 90 days was granted by this Adjudicating Authority vide order dated 01.06.2021 in IA 335 of 2021.

4. It is also stated by the applicant that the CoC in its 6th meeting dated 06.07.2021 decided to file an application under sections 43, 45, and 66 of the IB Code on the basis of the report of the audit of the transactions. The CoC also resolved to extend the CIRP period by 60 days, and this Adjudicating Authority vide order dated 04.10.2021 granted the extension of 60 days in IA 663 of 2021.

5. It is submitted by the applicant that the CoC approved the resolution plan submitted by the resolution applicant viz. M/s Naresh Tradelink Private Limited (in short “Successful Resolution Applicant”) in the 7th CoC meeting dated 13.10.2021. The resolution plan submitted by the Successful Resolution Applicant was considered more feasible and viable as per the score obtained in the evaluation matrix. The resolution plan is approved by CoC with 100% votes which complies with section 30 (4) of the IB Code.

6. *The key features of the Resolution Plan approved by the CoC are summarized below:*

Resolution Applicant Proposed Amount	Amount (in Rs.)	Timelines	Para of Resolution Plan
Payment of CIRP Cost <i>The estimated CIRP Cost is Rs. 45 Lakhs. The Resolution Applicant Propose to pay a sum of Rs. 45 Lakhs for payment in CIRP</i>	<i>45 Lakhs</i>	<i>Within 30 days from effective date</i>	<i>Addendum to Resolution Plan dated 13.10.2021</i>

Cost. Any change in the CIRP cost (increase or decrease) would be adjusted against the payments to be made to Secured Financial Creditors so that overall financial obligation of the Resolution Applicant remains unchanged.			
Payment to the Financial Creditors (excluding the Related Party Creditor) Resolution Applicant Propose to pay a sum of Rs. 7,85,00,000/- against admitted amount of Rs. <u>17,00,42,520/-</u>	7,85,00,000/- (46.10%)	EMD-Rs. 10 lakhs. PBG (deposit)- Rs. 40 lakhs Rs. 235 Lakhs Upfront payment	Addendum to Resolution Plan dated 13.10.2021 within 30 Days from Approval of plan by Adjudicating Authority. Balance Rs. 500 lakhs within 60 days from the approval of plan by the Adjudicating Authority with interest of Rs. 4.17 lakhs.
Payment towards the Operational Creditors, Other Creditors and related party (Excluding Employees and workmen and Govt. Dues)	50,211(0.082%)	To be paid within 30 days of approval of Resolution Plan by the Adjudicating Authority	Para 4.5 of the Resolution Plan
Payment toward Employee and workmen)	NIL	_____	Para 4.2 of the Resolution Plan
Payment to Statutory Dues of CD As per IM total admitted dues are 5,20,69,239/-	52,069/- (0.013%)	To be paid within 30 days of approval of Resolution Plan by the Adjudicating Authority	Para 4.7 of the Resolution Plan
Payment to Contingent Liabilities of CD Contingent Liabilities are in the	0.1% of the crystalized amount with upper cap of Rs. 50,000	_____	Para 4.7.1.1 of the Resolution Plan

<i>form of pending litigations and are subject to final outcome of such litigations</i>			
<i>Payment to Shareholders of CD</i>	<i>a. The Liquidation Value of the Equity Shareholder is estimated to be NIL</i> <i>b. The equity shares held by the shareholders of the corporate debtor shall stand cancelled.</i>	_____	
TOTAL AMOUNT	BID	Rs. 8,31,52,280/-	

7. The applicant has submitted that the fair value of the Corporate Debtor is Rs. 11,49,23,938.50/- and the Liquidation Value of the Corporate Debtor is Rs. 7,81,71,388.50/-. It is also submitted by the applicant that the Successful Resolution Applicant is eligible to submit a Resolution Plan under section 29A of the IB Code. The applicant has taken an affidavit from the Successful Resolution Applicant under Section 29A of the IB Code with respect that the Successful Resolution Applicant is not ineligible to submit a resolution plan.

8. The Applicant further submitted that the source of funds for the resolution plan may be obtained from the incorporation/use of a Special Purpose Vehicle (SPV). The SPV shall be funded by way of equity infusion by the Successful Resolution Applicant or its promoters/relatives/associates/investors (subscribers) and debt raised at the SPV/Applicant level. Simultaneously, with the capital reduction, the Successful Resolution Applicant will make the

necessary subscription for the allotment of 10,00,000 shares of Rs. 10 aggregating to Rs.1,00,00,000/-.

9. The applicant has stated that the resolution plan does not propose any waiver or release of the personal guarantee (s) and collateral security (s) if any provided by the Director (s)/ Promoter (s)/ any third party to secure the credit facilities sanctioned by the Financial Creditor.

10. The applicant further submitted that the resolution plan proposed a monitoring committee under Section 30(2)(d) of the IB Code and regulation 38 (2) (c) CIRP Regulations which comprised one representative from the CoC, one representative from the Corporate Debtor and the Resolution Professional. The applicant has also stated that if any transactions are reversed or set aside by this Adjudicating Authority in an application filed under sections 43, 45, 47,49, 50, and 60 of the IB Code that shall be passed to the stakeholders of the Corporate Debtor as per the provisions of the IB Code and accordingly such proceeds shall be over and above the total amount proposed under the resolution plan.

11. Heard the counsel of the applicant and perused the material on record. It is noted that the resolution plan submitted by M/s Naresh Tradelink Private Limited has been approved by the CoC in the 7th meeting dated 13.10.2021 with 100% votes (Sole member of CoC). The resolution applicant has proposed an amount of Rs.45,00,000/- as a CIRP Cost. The amount proposed by the resolution applicant for the financial creditor is Rs. 7,85,00,000/- and for the operational creditors, the resolution applicant proposed to pay an amount of Rs. 1,02,280/-. The resolution professional has also made a provision for the contingent liability of 0.1% of the admitted debt but that shall not be more than Rs. 50,000/

12. The applicant-RP has also placed on record a compliance certificate dated 03.07.2021 issued by Chartered Accountants Pinakin Shah & Co. and Form-H under regulation 39 (4) of CIRP Regulations. The total proposed amount is Rs. 8,31,52,280/- lakhs (including CIRP Costs) against the total admitted claim of Rs. 27,25,50,211/- which constitute 30.5percent of the total admitted claim.

13. The resolution applicant proposed a Monitoring Committee comprised of one representative from the secured financial creditor, one representative from the resolution applicant, and a resolution professional for the implementation of the resolution plan. The resolution plan also proposed to provide a performance security deposit amounting to 5% of the resolution plan value or Rs. 35,00,000/- which may be higher within 7 days from the date of issuance of the Letter of Intent by the CoC.

14. The CoC has also considered the feasibility and viability of the resolution plan. It is also stated that the resolution plan does not violate any of the provisions of the law and complied with Section 30 (2) of the IB Code. The affidavit of the resolution applicant under section 29A of the IB Code with respect that the resolution applicant is not ineligible to submit a resolution plan is also on record.

15. The RP has certified that the resolution plan does not contravene any provisions of law for the time being in force. On examination of the resolution plan, we also find that the resolution plan does not contravene any provisions of law. We also hold that the resolution plan is in compliance with the provisions stated in Regulations 38 and 39 of the CIRP Regulation, and the interests of all stakeholders are taken care of. The term of the plan is also stated. Hence, we see no reason to reject this resolution plan on any grounds.

16. As far as reliefs and concessions claimed by the resolution applicant, the law has been well settled by the Hon'ble Supreme Court in the case of ***Ghanashyam Mishra and Sons Private Limited Vs. Edelweiss Asset Reconstruction Company Limited and Ors. reported in MANU/SC/0273/2021*** in the following words:

(i) “The legislative intent behind this is, to freeze all the claims so that the resolution applicant starts on a clean slate and is not flung with any surprise claims. If that is permitted, the very calculations on the basis of which the resolution applicant submits its plans, would go haywire and the plan would be unworkable.

(ii) We have no hesitation to say, that the word "other stakeholders" would squarely cover the Central Government, any State Government or any local authorities. The legislature, noticing that on account of obvious omission, certain tax authorities were not abiding by the mandate of I&B Code and continuing with the proceedings, has brought out the 2019 amendment so as to cure the said mischief...”

17. In view of the above, we hold that the Successful Resolution Applicant cannot be saddled with any previous claim against the Corporate Debtor prior to initiation of its CIRP. For the permits, licenses, leases, or any other statutory right vested in the Corporate Debtor shall remain with the Corporate Debtor and for the continuation of such statutory rights, the Successful Resolution Applicant has to approach the concerned statutory authorities under relevant laws.

18. With these directions, we approve the resolution plan submitted by M/s. Naresh Tradelink Private Limited and proceed to pass the following orders:

ORDER

- (i) Application is allowed.
- (ii) The resolution plan of M/s. Naresh Tradelink Private Limited for Corporate Debtor i.e., Sterling Lam Limited stands approved as per Section 30(6) of the IB Code.
- (iii) The approved 'Resolution Plan' shall become effective from the date of passing of this order. A copy of the approved plan is enclosed to this order.
- (iv) The order of moratorium dated 10.11.2020 passed by this Adjudicating Authority under Section 14 of the IB Code shall cease to have effect from the date of passing of this order.
- (v) The Resolution Professional shall forthwith send a copy of this order to the participants and the Resolution Applicant(s).
- (vi) The Resolution Professional shall forward all records relating to the conduct of the corporate insolvency resolution process and Resolution Plan to the Insolvency and Bankruptcy Board of India to be recorded in its database.
- (vii) Accordingly, IA No. 860 of 2021 in CP(IB) 72 of 2018 is allowed and stands disposed of in terms of the above directions.

- (viii) An urgent certified copy of this order, if applied for, to be issued to all concerned parties upon compliance with all requisite formalities.

SD/-

**KAUSHALENDRA KUMAR SINGH
MEMBER (TECHNICAL)**

SD/-

**MADAN B. GOSAVI
MEMBER (JUDICIAL)**

Ramashish-LRA

"ANNEX - N"

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29th August 2021

To

Mr. Kailash Shah,
Resolution Professional in the matter of
Sterling Lam Limited
505, 21st Century Business Center,
Near World Trade Centre, Ring Road, Surat - 395002

Dear Sir,

Sub: Revised Resolution Proposal in the matter of Sterling Lam Limited under Corporate Insolvency Resolution Process ("CIRP")

We Naresh Tradelink Private Limited ("NTPL" or "the Resolution Applicant" or "Applicant") are please to submit our Resolution Plan (s) for Sterling Lam Limited ("SLL" or "Company") based on the Information Memorandum, relevant information made available, data available in the public domain and discussions held with the Resolution Professional. The Original Resolution Plan was submitted on 19th August 2021 and after discussion and negotiation with the Committee of Creditor we proposed to revise our original Resolution Plan and this Revised Resolution Plan is submitted accordingly. The Resolution Plan is pursuant to request for Resolution Plan ("RFRP") inviting submission of Resolution Plan for the Company arising out of the order dated 10th November 2020 of the Hon'ble NCLT, Ahmedabad. This Resolution Plan complies with the provisions of Section 30 & 31 of the Insolvency and Bankruptcy Code 2016 ("IBC") read with 37, 38 & 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) regulations ,2016 ("CIRP regulations").



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CIN NO.: U51100GJ2005PTC046005

304, "Aditya", B/H Sardar Patel Seva Samaj Hall,
Mithakhali Six Road, Ahmedabad : 380006 (Guj) INDIA
Ph : 079-26402327, Telefax : 079-26426867, Email : ntpl2009@yahoo.in

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In response of the public advertisement published on the website of IBBI dated 1st February 2021 inviting Expressions of Interest ("**EOI**") for submission of Resolution Plan for SLL, NTPL had submitted the EOI on 16th February 2021 showing their interest in submission of Resolution Plan for SLL. In term of the EOI submitted, NTPL submit that the Resolution Plan can be submitted /implemented by NTPL itself, or its Directors or through any of its associate company /firm or group companies or an SPV or through any of its associates' firm and part of the same group.

DEFINITIONS AND INTERPRETATIONS

In this Resolution Plan, unless inconsistent with subject or context thereof (1) capitalized terms defined by inclusion in quotations and/or parenthesis have the meanings so ascribed; (2) All terms and words not defined in this Resolution Plan shall have the meaning ascribed to them under the relevant Applicable Laws; and (3) additional capitalized terms shall have the following meaning assigned to them in **ANNEXURE - 1**.

EXECUTIVE SUMMARY

Naresh Tradelink Private Limited, a Body Corporate, having it's registered office at 304, "Aditya", B/H Sardar Patel Samaj Hall, Nr. Mithakhali Six Road, Navrangpura, Ahmedabad - 380006 is pleased to submit this Resolution Plan ("**Resolution Plan**") for Sterling Lam Limited. The Resolution Plan is submitted, based on the limited information provided and in accordance with the Information Memorandum ("**IM**"), site visit, subsequent discussions, and written communications with the Resolution Professional ("**RP**") and other terms and conditions stipulated in this Request for Resolution Plan (RFRP). It is assumed that all information contained in the IM, including but not restricted to for the Secured Financial Creditors, Unsecured Financial Creditors, Operational Creditors and Claims from Workmen and Employees of the Company provided in the IM are true, correct, complete, and not misleading in any respect. NTPL proposes to implement the Resolution Plan by itself or its Directors or through any of its associate company /firm or group



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companies including through a special purpose vehicle (“SPV”) set up by any of the entities forming part of the Group companies (“Applicant”) in the manner described in this Resolution Plan and seeks the support of all the stakeholders of the Company in this regard. Any action proposed to be undertaken by the Applicant for the implementation of the Resolution Plan, will be undertaken, either directly, or indirectly through or with the affiliates, subsidiaries or associates of the Applicant either Individually or Collectively as set out in this Resolution Plan.

The Applicant has taken in to account the interest of all the stakeholders of the Company and therefore believes that the Resolution Plan will create a sustainable structure that will enable the Company to continue as a “going concern”. We are very keen to work with the stakeholders of the Company and are confident of delivering on this Resolution Plan in an expeditious and time-bound manner after receiving necessary approvals.

Proposal for Creditors

Applicant proposed to pay INR 8.17 Crore in following manner to various stakeholders as per the terms of this Resolution Plan:-

Payment to	Amount Claim	Amount Proposed to be Paid
CIRP Cost (Estimated)	35,00,000	35,00,000
Financial Creditors (Secured)	17,02,69,531	7,85,00,000
Operational Creditors (Government Dues)	5,20,69,239	52,069
Operational Creditors (other than Workmen and Employees and Government Dues)	5,02,11,441	50,211
Total	27,60,50,211	8,16,02,280
Contingent Liabilities	-	50,000
Total	27,60,50,211	8,21,52,280

In addition, the Applicant proposes to infuse requisite funds for meeting capex and working capital requirements.



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About the Corporate Debtor :-

M/s. STERLING LAM LIMITED ('SLL' or 'Corporate Debtor') is a Public limited company incorporated on 1st July, 2004. It is classified as Non-govt. Company and is registered with Registrar of Companies, Ahmedabad. Its authorized share capital is Rs. 3,00,00,000/- and its paid-up capital is Rs. 2,16,34,300. It is involved in the business of manufacturing and marketing of plastic / laminates articles.

As per Information Memorandum and Resolution Professional, the approximate land area of factory premises of SLL is 32,261 Sq. Mtr. The factory premises of the Corporate Debtor is located at Plot No. 135, 124, 134 & 123 At Mahiyal, Talod, Gujarat - 383215.

About the Applicant

Naresh Tradelink Private Limited ("The Company") registered as Private Limited on 6th May 2005 with the Registrar of Companies, Gujarat. The company belongs to Hasmukh Agrawal Group. The Company was promoted by Mr. Tarachand Bansilal Agrawal, Mr. Hasmukh Tarachand Agrawal, Mrs. Sumitraben Tarachand Agrawal, Mrs. Anjuben Hasmukhbhai Agrawal, Mr. Jainam Hasmukhbhai Agrawal and Ms. Aneri Hasmukhbhai Agrawal for the purpose of Trading Business. The Company does its activity at their Ahmedabad Office. The Company has registered office at 304, "Aditya", B/H Sardar Patel Samaj Hall, Nr. Mithakhali Six Road, Navrangpura, Ahmedabad - 380006. Group is also engaged in the business of manufacturing of Decorative Laminates through its LLP firm M/s Red Mica Laminates Private Limited.

Details of Director & their experience

1. Mr. Tarachand Bansilal Agrawal

He is founder promoter / director of the company. He is having experience of more than 50 years in the business. Under his guidance and supervision, the company has achieves sales turnover of Rs. 141.53 Crore in 2019-20.

2. Mr. Hasmukh Tarachand Agrawal



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He is another founder promoter /director of the company. He is having experience of more than 30 years in the business. He is also designated partner in Kedarnath Paper LLP.

3. Mrs. Sumitraben Tarachand Agrawal

She is also founder promoter /director of the company. She is holding 14% of equity shares of the Company.

4. Mrs. Anjuben Hasmukhbhai Agrawal

She is also founder promoter /director of the company. She is holding 14% of equity shares of the Company. She is also designated partner in Kedarnath Paper LLP.

5. Mr. Jainam Hasmukhbhai Agrawal

He joined the company in July 2011. He did BBA and looking after sales department of the company. He is also director in Red Mica Private Limited. Red Mica Private Limited is engaged in the business of Manufacturing of Decorative Laminates Sheet. He is mainly looking after the overall operation of Red Mica Private Limited. He is having experience of more than 5 years in the business of manufacturing of Laminates Sheet.

6. Ms. Aneri Hasmukhbhai Agrawal

She joined the Company in July 2011. She did MBA and looking after the finance and accounts department of the company.

Financial Performance of the Applicant

(Rs. In Crore)

Particulars	2019-20	2018-19	2017-18	2016-17
Revenue from Operations	141.53	140.40	169.75	120.29
PBDIT / EBITA	5.06	4.29	4.37	3.47
PBT	1.18	1.09	1.52	1.07
PAT	0.87	0.77	1.02	0.71
Net Worth	12.21	7.83	7.05	6.03



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RESOLUTION PLAN

OVERVIEW

- 1.1. Proceedings under the IB Code were instituted against the Company by Ramniklal S Gosalia & Co, and the Adjusting Authority admitted the application and initiated the Corporate Insolvency Resolution Process for the Company. Pursuant to the order dated 10th November 2020, Mr. Rajendra Jain, was appointed as the Interim Resolution Professional ("IRP") and thereafter, Committee of Creditor replaced IRP Mr. Rajendra Jain with another IP Mr. Kailash Shah as Resolution Professional ("Resolution Profession"). The Hon'ble National Company Law Tribunal vide its order dated 10th February 2021 has replaced the IRP and appointed Mr. Kailash Shah as Resolution Professional.. The Resolution Professional has provided an IM containing certain information relating to the Company and subsequent details have been provided by Resolution Professional through email & telephonic communication.
- 1.2. We thank the Resolution Professional and the Committee of Creditors ("COC") for inviting the Resolution Applicant to submit a Resolution Plan for the Company.
- 1.3. The IM and subsequent information shared by the Resolution Professional may not suffice and give all the requirement that an Resolution Applicant may need to submit a Resolution Plan. This Resolution Plan, therefore has been proposed based on the information given in the IM, during Pre-resolution Plan meeting with the RP, site visit and on the assumptions and other terms and conditions stated in this RFRP. The Resolution Applicant is submitting this Resolution Plan for ensuring that the Company remains as a going concern.
- 1.4. Liquidation value of the Company is not known to the Applicant and therefore the Resolution Plan has been prepared on the assumption that the liquidation value of the Company is less then the admitted



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debt for Financial Creditors which aggregates to approximately INR 19.00 Crore.

2. CREDITORS ANALYSIS

According to list of creditors as per information provided in IM, total claims amount to INR 65.57 Cr, with admitted ("Admitted Debt") being INR 27.25 Cr. The breakup of the claims is as follows:

Description	Amount submitted (INR)	Amount admitted (INR)
Financial Creditors of the Company (Financial Creditors)	17,02,69,531	17,02,69,531
Operational Creditor (Government Dues)	40,41,23,097	5,20,69,239
Operational Creditor (other than Workmen and Employees and Government Dues)	6,12,72,987	5,02,11,441
Contingent Liability	-	-
Total Claims	63,56,65,615	27,25,50,211

3. MANDATORY CONTENTS OF THE PLAN

- 3.1.** The Resolution Applicant confirms that the amount payable under Resolution plan to the operational creditors shall be paid in priority over financial creditors (Reg 38(1)(a) as mentioned in Section 4.5.
- 3.2.** The Resolution Applicant confirms the amount payable under Resolution plan to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan. (Reg 38 (1)(b) as mentioned in Section 4.4.



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3.3. A statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor (Reg 38(1A)):

3.3.1. The Resolution Applicant has considered the interests of all the stakeholders of the Corporate Debtor (a synopsis of which was provided in Executive Summary) and has proposed the Resolution Plan for the Insolvency Resolution of the Corporate Debtor as a going concern based on the Information Memorandum & other details provided by Resolution Professional.

3.3.2. The revival of the Corporate Debtor as envisaged under the Resolution Plan shall contribute significantly to the society and the government by putting the natural resources to the best use and contributing direct and indirect employment and income generation opportunities in the region.

3.3.3. Unless otherwise stated in this Resolution Plan, no creditors or stakeholders of the Corporate Debtor shall be entitled to receive any settlement amount more than the proportionate settlement payable to a similarly placed type of creditor or stakeholders, as stated in this Resolution Plan.

3.4 Pursuant to Regulation 38 (3) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) (Third Amendment) Regulation 2018, clauses are addressed as under:

a. The cause of default (38(3)(a)):

As per the Information Memorandum, RFRP and other available information, the Resolution Applicant could derive that the major reasons of default on account of the Corporate Debtors are:

- i. Lack of financial discipline which results in higher cost of production and shrinking of margin.
- ii. Financial Constrains resulted into irregular supplies to the dealer network which results in loss of market.



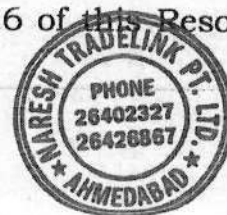
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The Resolution Applicant sense that aforementioned reasons lead to severe liquidity stress to the Corporate Debtor due to which the Corporate Debtor was unable to fulfil the obligations towards the banks, financial institutions and all the other creditors on a timely basis.

- b. **Feasibility and viability of the Resolution plan (38(3)(b)):** The plan is submitted by Resolution applicant is with an objective to revive the Corporate Debtor and to maximize the value of assets. The Resolution Applicant is confident that the Corporate Debtor can be turn around and be a viable unit. The feasibility of revival and resolution of Corporate Debtor is on account of large experience of the Resolution Applicant in the line of business and having their presence in the Laminate industry with soundtrack record. The Applicants projected revenue are as under:-

Particulars	FY -1	FY - 2	FY-3	FY -4	FY-5
Revenue /Sales	20.00	24.00	26.40	29.04	31.94
Operating Profit	1.93	2.35	2.70	3.12	3.52
Profit Before Tax	(0.10)	0.39	0.87	1.29	1.67
Profit after Tax	(0.10)	0.27	0.61	0.91	1.17

- c. **Provisions for effective implementation (38(3)(c)):** The mechanism for the implementation of this resolution Plan is set forth in Section 3.6 of this Resolution Plan.
- d. **Provisions for approvals required and the timeline for the same (38(3)(d)):** The mechanism for the operating approvals is set forth in Annexure - 2 (Relief and Concessions).
- e. **Capability of Resolution Applicant to implement the Resolution plan (38(3)(e)):** The Resolution Plan would be implemented under the personal supervision of the Resolution Applicant & the Monitoring Committee as provided in Section 3.6 of this Resolution Plan and a



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team of professionals who have expertise of running such business verticals and carrying out operations efficiently. With the help of professionals, and nominees having both financial and technical capabilities, the Resolution Applicant is confident of successfully turning-around the Corporate Debtor.

- 3.5** The resolution applicant confirms that as on date the Resolution Applicant or any of its related parties has not failed to implement or contributed to the failure of implementation of any other resolution plan approved by the NCLT at any time in the past (Reg 38(1B)).
- 3.6 Management of the affairs of the Corporate debtor after approval of the Resolution Plan and control of the business of CD during its term (Reg 38(2)(b) and Section 30(2)(c)):** The mechanism for the management of affairs of the Corporate Debtor after approval of the Resolution Plan and control of the business is set forth in Section 4.8 of this Resolution Plan.
- 3.7 Supervision of the Implementation of the Resolution Plan (Regulation 38(2)(c) and section 30(2)(d):**
- a. The Term of the Resolution Plan shall commence on the Date of Submission of the Resolution Plan to the Resolution Professional and shall remain valid unless there is notification in this regard. Notwithstanding anything contained in this Resolution Plan (except to the extent set out in Section 13 of this Resolution Plan), if any part of this Resolution Plan is approved by the COC; or (ii) if approved by the NCLT with any variance, then in the form and substance acceptable to the COC and the Applicant. Upon approval of the Resolution Plan by the NCLT, this Resolution Plan shall ipso facto from part of the NCLT order approving the Resolution Plan.
 - b. Supervision of Plan: On or after approval of this Resolution Plan by NCLT and until the Plan Implementation Date, Monitoring Committee consists of One Representative from Consenting Secured Financial



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Creditor, One Representative of Resolution Applicant and Resolution Professional to be supervise the Implementation of Plan. All major business decisions impacting the interest of Secured financial creditors shall be made by said committee in consultation with Resolution Applicant only. Examples of major decision include but not limited to, sale of assets, assuming of non-trade liabilities etc. Monitoring Committee shall decide about remuneration payable to the Resolution Professional, the frequency of reporting and meetings to have effective implementation and supervision of Resolution Plan. It is proposed that Applicant will bear the cost of Monitoring Committee.

c. The implementation schedule for the Resolution Plan set out in Section 13 of this Resolution Plan.

3.8 The Resolution Applicant declares that the Resolution plan does not contravene any of the provisions of the law for the time being in force [Section 30(2)(e)]

3.9 The Resolution Applicant confirms to such other requirement as may be specified by the Insolvency and Bankruptcy Board of India from time to time. [Section 30(2)(f)]

4 Financial Plan

4.1 Payment of Insolvency Resolution Process Cost

4.1.1 As per the IBC, the CIRP costs are to be paid in priority over payments to be made to any other creditors and the CIRP costs shall, amongst other things, include the costs, fees and charges incurred by Resolution Professional, in running the operations of the Company as a going concern.

4.1.2 As informed by Resolution Professional the estimated CIRP cost to be Rs. 35,00,000 (Rupees Thirty Five Lakh Only) Any change in the CIRP cost (increase or decrease) would be proportionately adjusted against



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the payments to be made to Secured Financial Creditors so that overall financial obligation of the Resolution Applicant remains unchanged.

4.2 Proposal for Workmen / Employees

4.2.1 As per IM and further information as provided by Resolution Professional, there is nil amount due to the workmen/ employees of the Corporate Debtor.

4.2.2 The Applicant states that if there are any claim from the Workmen/ Employee dues whether due or contingent, asserted or unasserted, crystallized or un-crystallized, known or unknown , disputed or undisputed, whether or not set out in the IM, the balance sheets of the Company of the Workmen/Employee, in relation to any period prior to the Plan Effective Date or arising on account of the acquisition of control by the Applicant over the Company pursuant to this Resolution Plan, will be written off in full and shall be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Company or the Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto and overall financial obligation of the Resolution Applicant shall remain unchanged.

4.3 Proposal for Financial Creditors

4.3.1 Given below is the amount claimed by the Financial Creditors of the Company and admitted thereof as per the IM:

Sr No	Category of creditor	Amount claimed (in INR Cr)	Amount of claim Admitted (in INR Cr)
1.	Financial Creditors	17,02,69,531	17,02,69,531



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4.3.2 According to the list of Financial Creditors, the total claims filed by the Financial Creditors is INR 17.03 Cr and INR 17.03 Cr has been admitted by the Resolution Professional ("Admitted Financial Debt"). The Applicant understand that there are no non-fund-based bank guarantees / letter of credit invoked / uninvoked other than those included in the Admitted Financial Debt and accordingly the Admitted Financial Debt would not get modified during the process or after the implementation of the Resolution Plan.

4.3.3 Financial Debt of the Financial Creditors Resolution Applicant proposed to make payment as under;

a. Proposal for Secured Financial Creditors

Particulars	Admitted Financial Debt	Amount - Proposed to be Paid
Cosmos Co- Operative Bank Limited (Secured Financial Creditors)	17,02,69,531	7,85,00,000

Payment Schedule / Terms of Payment to Secured Financial Creditors:- (Amt in Lacs)

Particular	Principal	Interest@	Total	Balance
				785.00
EMD	10.00	-	10.00	775.00
Deposit (PBG)	40.00	-	40.00	735.00
Upfront within 30 Days from Approval by AA	235.00	-	235.00	500.00
Balance within 60 days from approval of AA	500.00	4.17	504.17	--
Total	780.00	4.17	784.17	

@ 10% per annum.



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- 4.3.4 Other than as specified in section 4.3.1 to 4.3.3, any and all other 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, any actual or potential Financial Creditors of the Company or in connection with any debt of the Company (including any transactions in derivatives), whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, disputed or undisputed, present or future, whether or not set out in the Balance Sheet of the Company, in relation on any period prior to the Resolution Plan date or arising on account of the acquisition of control by the Applicant over the Company pursuant to this Resolution Plan, will be written off in full and shall be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Company or the Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.
- 4.3.5 Any encumbrance or any other form of collateral (whether over immovable, movable assets, fixed deposits or cash or any other rights or privileges and including without limitation, any guarantee **(excluding the personal guarantee of existing promoter of the Company)**, security, letter of credit or pledge provided by the Company) that was created/granted /arranged in connection with any financial debt or any other debt or obligation of the Company at any time prior to the Resolution Plan completion date, shall automatically be released and all liabilities and obligation of the Company in relation to such Encumbrance or other form of collateral shall stand permanently extinguished upon full and final payment of the amount proposed in this resolution plan without the requirement of any further action on part of any party and the Company or the Applicant. All title deeds and other documents (including charge documents, if any) held



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by the Financial Creditors or on their behalf shall be immediately returned to the Company on Plan Implementation Date.

4.3.6 Notwithstanding the above, on the Plan Implementation Date and upon discharge of Financial Creditors in the manner set out in section 4.3, all relevant persons including the Financial Creditors shall redeliver and shall cause to be delivered to the Company, all documents (including loan agreements, guarantees, security documents, title deeds, lease agreement, demand promissory notes, powers of attorneys, post - dated cheques, other negotiable instruments, share certificates encumbered with the Financial Creditors and all other documents to the extent applicable) and collateral, if any of the Company in relation or such assets that are in possession of or deposited with such Financial Creditors or any other person for the benefit of any of the creditors of the Company.

4.3.7 Notwithstanding the above, upon the approval of the Resolution Plan by the NCLT under section 31 of the IBC, on and from the Plan Implementation Date:

4.3.7.1 Discharge certificates, no objection certificate and all other documents issued for the release of the Encumbrances, security interest and charges will be deemed to be approved by each creditors of the Company including Financial Creditors.

4.3.7.2 Any event of default having occurred on part of the Company under any of the Financing Documents entered into by the Company on its own behalf or on behalf of any subsidiaries, joint ventures or associates to secure or guarantee any of their liabilities, prior to the Plan Effective Date, shall be waived in entirety and all rights under the existing finance documents in relation thereto shall stand extinguished;



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4.3.7.3 All the outstanding negotiable instruments issued by the Company or by any person on behalf of the Company including demand promissory notes, post – dated cheques and letters of credit, shall stand terminated and the Company`s liability under such instruments shall stand extinguished; and,

4.3.7.4 All notification with regards to defaults filed with Credit Information Bureau (India) Limited (CIBIL), any information utility, RBI or any other regulatory Authority shall be withdrawn by the respective Financial Creditors.

4.3.7.5 The Applicant submit that in this resolution plan, Applicant has not proposed any waiver or release of the personal guarantee and collateral security if any provided by the Director / Promoter / any third party to secure credit facility sanctioned by the Financial Creditors.

4.4 Dissenting members of the COC

4.4.1 Liquidation value of the Company is not known to the Applicant. In terms of IBC, and under regulation made thereunder, the amount payable in respect of Financial Creditors who do not vote in favour of the Resolution Plan would not be less than the amount to be paid to such creditors in accordance with sub-section (1) of Section 53 in the event of liquidation of the Company.

4.5 Proposal for Operational Creditors

4.5.1 As per the list of creditors, total claims filed by operational creditors (excluding employees and workmen and government dues) aggregate to INR 6.12 Crore. Claims aggregating to INR 5.02 Crore have been verified and admitted by the Resolution Professional.



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4.5.2 In terms of IBC, Resolution Plan should provide for the payment to operational creditors in such manner as may be specified by Board which shall not be less than the amount to be paid to such operational creditors in the event of a liquidation of the Company under section 53 of the IBC or the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order or priority in sub-section (1) of section 53. Resolution Applicant is not aware of the Liquidation Value of the Company and but considering the level of debts dues and payable to the Secured Financial Creditors Resolution Applicant has taken a view that no amount would have been payable to the Operational Creditors in terms of section 53 of the IBC. However, Resolution Applicant has proposed ex-gratia payment to the Operational Creditors under the Resolution Plan against the admitted claims of Operational Creditors in following manner:-

Particulars	Admitted Operational Debt	Amount - Proposed to be Paid	Terms of Payment
Operational Debt due to Others (Excluding Govt. Dues)	5,02,11,441	50,211	To be paid within 30 days of approval of Resolution Plan by Adjudicating Authority.
Total	5,02,11,441	50,211	

4.5.3 Resolution Applicant undertakes that if the residual value payable to the Operational Creditors in the event of liquidation of the Company under Section 53 is more than ex-gratia payment proposed to made to the Operational Creditors, Resolution Applicant would pay such additional amount provided such amount is indicated by the



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Resolution Professional/ Committee of Creditors before the final approval of the Resolution Plan.

4.6 **Treatment of amounts claimed under ongoing litigations**

4.6.1 All civil inquiries, investigations, notices, cause of action, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings against, the Company or the affairs of the Company, specifically set out in the IM (i.e. details of all material litigations and ongoing investigations or proceedings of this plan) in relation to any period prior to the Resolution Plan effective date or on account of acquisition of control by the Applicant over the Company pursuant to this Resolution Plan, shall be stand settled as per the terms of as set out in Section 4.7 of the Resolution Plan. By virtue of the order of the NCLT approving this Resolution Plan, new inquiries, investigations notices, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceeding, will not be initiated or admitted if these relate to any period prior to the Resolution Plan effective date or on account of the acquisition of control by the Applicant over the Company, pursuant to this Resolution Plan, against the Company or any of its employees or directors who were appointed or who remain in employment or directorship after the Resolution Plan effective date.

4.7 **Outstanding Govt. Dues, Taxes. Etc.**

4.7.1 As per IBC, Statutory liabilities considered to be at par with operational creditors, accordingly, the payment due to outstanding Govt. Dues, taxes, etc. should not be less than the liquidation value payable to the operational creditors in the event of a liquidation of the Company under section 53 of the IBC. The Statutory liabilities payable by Company includes, without limitation, claims under all taxes and provident fund payments. As set out in section 3.5(2) of this Resolution Plan, the Resolution Applicant is not aware of the Liquidation Value of



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the Company and but has taken a view that no amount would have been payable to the Statutory Creditors in terms of section 53 of the IBC. However, payment of Rs. 5,20,692 has been proposed under the Resolution Plan towards admitted claim of outstanding government dues under this Resolution Plan in following manner:-

Particulars	Admitted Operational Debt	Amount -Proposed to be Paid	Terms of Payment
Operational Debt due to Government Department	5,20,69,239	52,069	To be paid within 30 days of approval of Resolution Plan by Adjudicating Authority.

4.7.1.1 Of the above statutory dues, certain litigations are pending at various stages by or against the Company and therefore the above dues are presently of contingent nature. The liability of the Company would crystallize for such payments only upon final judicial pronouncement in this regard and after adjustments of the tax deducted at source/ advance tax/ outstanding refunds and other deposits made by Company to the respective statutory agencies. The said statutory dues are treated at par with the operational creditors and accordingly will be paid on equal footing with the operational creditor who are being paid 0.1% of the total admitted claims. Accordingly, in respect of the statutory dues also the authorities would be paid 0.1 % of the crystallized amount. For the purpose of this clause/ Plan crystallized amount would mean the amount decided to be paid by final judicial authority or an intermediate judicial authority whose order has not been challenged by the Company within the prescribed time frame and have thus achieved finality but shall not include any interest, penalty or any other additional charges levied by any such government authority nor shall be payable by the Company. The total liability of the Company / Resolution Applicant towards such dues



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will be 0.1% of the Crystallized Amount However the same shall not exceed Rs. 50,000 (Rupees Fifty Thousand Only)

- 4.7.1.2 Without prejudice to section 4.7.1 above, all liabilities (including without limitation, for any penalty, interest, fines of fees) or obligations of the Company, in relation to; (A) any unmet export obligations under the export promotion capital goods licenses held by the Company (whether subsisting or not) (B) any investigation, inquiry or show - cause, (C) any non-compliance of any applicable laws, rules, regulations, directions, notifications, circulars, guidelines, policies licenses , approvals, consents or permission; (D) 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 are entitled; (E) any leasehold rights to movable or immovable properties in the possession of the Company (including but not limited to the leases, letter of intent or other agreements/contracts/ arrangements for immovable property entered into by the Company with the Central Government and State Government); (F) any contracts, agreement or commitments made by the Company, (G) any show cause notices, demand notices, issued by any regulatory, Government Authority; and (H) any excise, customs , service tax , goods and service tax demand notices in each of the foregoing cases whether admitted or not, due or contingent, asserted or unasserted, crystallized or un-crystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the IM, the Balance sheets of the Company, in relation to any period prior to the plan effective date or arising on account of the acquisition of control by the Applicant over the Company pursuant to this Resolution Plan, will be written off in full and will be deemed to be permanently extinguished by virtue of the order of the NCLT Approval this Resolution Plan and all such investigation, inquiries or show-cause in relation to the foregoing shall be disposed of, and the Company or the Applicant shall at no point of time be, directly or indirectly , held responsible or liable in relation thereto.



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4.7.1.3 Any and all rights and entitlements of the Governmental Authorities including but not limited to be Central Government, the State Governments any regulatory or local authority or body or any agency or instrumentally thereof (or any other party or entity under any agreement, lease, license, approval, consent or permission) whether admitted or not due or contingent, asserted or unasserted, crystallized or un-crystallised, known or unknown , disputed or undisputed, present or future, in relation to any period prior to the plan effective date or arising on account of the acquisition of control by the Applicant over the Company pursuant to this Resolution Plan, shall be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Company or the Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.

4.8 **Proposal for Acquiring Management Control**

4.8.1 Upon approval of the Resolution Plan by the Adjudicating Authority and payment of the first installment as envisaged under this Resolution Plan, the Resolution Applicant shall be handed over the charge and operations of the Company and all assistance in this regard would be provided by the Resolution Professional and Committee of Creditors for the same.

4.8.2 The existing Board of Directors of the Company shall resign from the Board and co-operate with the Resolution Applicant in complying with the provisions of the Companies Act, 2013 with regards to filing of necessary forms with the office of Registrar of Companies. If the existing Board of Directors fail to submit their resignation, they shall be deemed to have ceased to be the Directors of the Company and Company would be entitled to file necessary forms with the office of ROC. If any technical issues arise for such filing the office of the Registrar of Companies shall provide necessary assistance to the Resolution Applicant for the change of Board including but not restricted to opening of special window to permit the incoming



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directors to complete the change in Director(s) as envisaged under the present Resolution Plan.

4.8.3 Simultaneously with the resignation / cessation of the existing Board the Resolution Applicant shall nominate such number of Directors (including independent Directors) as are necessary to comply with the provisions of the Companies Act, 2013.

4.8.4 The Company's issued, Subscribed and Fully paid up share capital as on 31st March, 2019 is as follows:

Thus, the issued, subscribed and fully paid up share capital of the Company aggregates to INR 2.16 Cr (share capital). We understand

Sr. No	Particulars	Amount (INR)
	Equity Share Capital	
1	21,63,430 Ordinary Equity Share of Rs. 10 each per share	2,16,34,300
	Total	2,16,34,300

that there is no change in issued, subscribed and paid-up share capital of the Company post the above date.

a. Capital Reduction

- i. As provided earlier in this Resolution the Liquidation value of the Company is not sufficient to cover debt of the Financial Creditors of the Company in full. Therefore, the Liquidation Value of the Equity Shareholder is estimated to be Nil
- ii. It is proposed that the entire equity share capital of the company shall be fully cancelled and stand reduced to Zero.
- iii. The Capital reduction shall be affected as part of this Resolution Plan itself, without having to follow the process under Section 66 of



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the CA 2013 separately, and the order of the NCLT sanctioning this Resolution Plan shall be deemed to be an order under Section 66 of the CA 2013 confirming the capital reduction. The Company will comply with any procedural requirement with respect to filing of requisite forms if required with the office of Registrar of Companies and providing necessary information to the stock exchange(s) where the equity shares of the Company are presently listed.

- iv. The approval of this Resolution Plan by the NCLT shall be deemed to have waived all the procedural requirement in terms of Section 66 of CA 2013 and the NCLT (Procedure for Reduction of Share Capital) Rules 2016.
- v. The amount of reduction in the equity share capital of the Company shall be credited to Capital Reserves of the Company.
- vi. For Avoidance of doubt, the approval of COC to the Resolution Plan shall be deemed to be the consent of the all the authorities from whom such approval is necessitated whether arising from any agreement or applicable laws.

Infusion of Fund by Applicant

4.8.5 To enable the implementation of the Resolution Plan, Applicant may incorporate / use a Special Purpose Vehicle ("SPV"). The SPV shall be funded by way of equity infusion by Applicant or its Promoters/Relatives/ Associates/ Investors ("Subscribers") and debt raised at the SPV/ Applicant Level.

4.8.6 Simultaneously, with the Capital Reduction, the Applicant will make necessary subscription for allotment of 10,00,000 (Ten Lakh) equity shares of Rs. 10 each at par aggregating to Rs. 1,00,00,000 (Rupees



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One Crore only) to enable the Company to make necessary allotment of equity shares to the Subscribers.

4.8.7 It is clarified that the approval of NCLT shall constitute adequate approval for issuance and allotment of equity shares by the Company to the Subscribers in accordance with Section 42 and Section 62(1) (c) of CA 2013 and accordingly, no approval or consent shall be necessary under any Applicable Law for making such allotment other than from the Board of Directors of the Company constituted post approval of the Resolution Plan.

5 ACCOUNTING TREATMENT

5.1 The principle to be followed for accounting treatment of the Corporate Debtor from Insolvency Commencement date to Plan approval date are as Follow:

5.1.1 Upon approval of Resolution Plan by NCLT, the Resolution Applicant to be permitted to draw up the financial statement of the Corporate Debtor for a period starting from Insolvency Commencement Date and ending on the Plan approval Date in compliance with applicable accounting standard to not only determine the CIRP cost during the said CIRP period and to reflect the claims verified and the realisable fair value of the assets as may be determined by the board of directors of the Resolution Applicant.

5.1.2 For the above purpose Resolution Applicant shall be permitted to carry out necessary write off assets, creation of any additional liabilities or expenses or write back of liability or provision (as the case may be) in the books of account of the Corporate Debtor.

5.1.3 Pursuant to the order of the NCLT approving this Resolution Plan, any debit or credit being the balancing figures, arising as a result of giving effect to the Plan approval date actions as mentioned in schedule, shall be adjusted by Corporate Debtor in the capital reserve account at its sole discretion and the same shall be deemed to be in compliance with the applicable accounting standards.



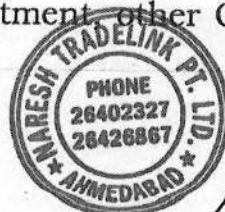
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6 Disbursement of Sustainable Debt.

- 6.1** Upfront amount infused by the Applicant will be disbursed to the Financial Creditors / Operation Creditors / Due of Workmen/ employees in the manner as Setout in Section 4 of this Resolution Plan.
- 6.2** It is further clarified that the amount of Upfront Payment shall first be applied towards the interest Component of the Admitted Debt and then against the principal amount of the Admitted Debt.
- 7** This resolution Plan has been prepared on the assumption that all necessary approvals to the extent required, shall be provided by the concerned Government Authorities. In the event such approvals are not granted or in case of change in applicable law or under any other material circumstances, then notwithstanding anything contained in this Resolution Plan, but without prejudice to the financial commitments set forth in this Resolution Plan with respect to each creditor of the Company (including quantum of payment or settlement to be made to such creditor and the timeline within which the payment settlement is to be made), the Applicant shall be entitled to revise the acquisition structure (including, the implementation thereof) in compliance with applicable law, after prior intimation and approval of the Committee of Creditors.
- 8** It is further clarified that all the commitments, bank guarantees, corporate guarantees or any other obligation, extended by the Company as on plan effective date and shall stand cancelled upon approval of Resolution Plan by Adjudicating Authority.

9 General

- 9.1** Upon the approval of the Resolution Plan, necessary steps will be taken to file the copy of the Resolution Plan with various Governmental Authorities, including Tax Authorities/ Department, other Government Departments,



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and before various courts, tribunals and regulatory authorities where proceeding with respect to the Company are pending, for disposal of all such proceedings.

9.2 No action shall be taken by any authority against the property of the Corporate Debtor in relation to an offence committed prior to the commencement of the corporate insolvency resolution process of the corporate debtor.

9.3 Statement in Compliance of Section 29A of the IBC:

9.3.1 The Resolution Applicant confirms that, as on the date of this Resolution Plan and on the basis of the records of the Resolution Applicant, the Resolution Applicant is eligible under section 29A of the IBC to submit the Resolution Plan.

9.4 Concessions, reliefs and dispensation sought

9.4.1 The Applicant request for the reliefs, concessions and dispensations set out in ANNEXURE - 2 of this plan in order for the Resolution Plan be successful and each of these may be included, shall be deemed to be included in such order.

9.5 Avoidance Transactions

9.5.1 If the Adjudicating Authority reverses or sets aside any avoidable transactions under Sections 43, 45, 47, 49, 50 or 66 of the Code, then such assets or proceeds from transaction shall be a pass-through to the stakeholders of the Corporate Debtor as per the provision of Code and accordingly. Such proceeds shall be over and above the total amount proposed in this resolution plan by the Applicant.



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9.6 Additional Terms

9.6.1 Binding, further assurance: Upon approval of this Resolution Plan by the NCLT, this Resolution Plan shall be binding on the Company and all other stakeholders of Company including but not limited to Employees, Members, Creditors, Governmental Authorities, Resolution Professional involved in the Resolution Plan and/or otherwise concerned or connected with the Company. Any breach of the terms of this Resolution Plan or /defaults in the performance of the obligations hereunder by any of the foregoing persons shall cause irreparable damage to the Applicant and its proposal to revive the Company. Accordingly, in case of such breach or default, the Resolution Applicant shall have the right to an injunction or other equitable relief including specific performance of the terms hereof.

9.6.2 As the Resolution Plan shall be binding on each of the stakeholders mentioned above, all such persons including but not limited to the Resolution Professional, Employees, Guarantors, Creditors and stakeholders/members shall use their best efforts to do or cause to be done, such further acts, deeds, matters and things and execute such further documents as may be reasonably required by the Applicant to give full effect to the terms of this Resolution Plan in accordance with its terms and conditions. if required by Applicant as the evidence of discharge, the creditors of the Resolution Plan shall provide all documentation and/or execute documents evidencing the full and final discharge of their claims.

9.6.3 Confidentiality: By the receipt and deliberation of this Resolution Plan, the Resolution Professional and the Financial Creditors of the Company agree and undertake that they shall not reveal, and shall ensure that their directors, officers, managers, employees (including those on secondment), affiliates, legal, financial and professional advisors and bankers (collectivity, representatives) to whom confidential information is made available, do not reveal, to any third



party, any confidential information, without the prior written consent of the Applicant provided however that the provisions of this section shall not be applicable to any disclosure pursuant to applicable law subject to any practicable arrangements to protect confidentially. The Applicant shall be entitled to injunctive relief, specific performance and other remedies to enforce this section.

9.6.4 Conflict: In the event of any repugnancy or inconsistency between this Resolution Plan and any other documents, the provisions contained in this Resolution Plan shall prevail for all purposes and to all intents.

9.6.5 Entire Resolution Plan: The Resolution Plan along with its annexures constitutes the entire Resolution Plan of the Applicant within the meaning of section 30 of the IBC and regulation 38 of the CIRP regulations and supersedes and cancels any prior oral or written plan, agreement or understanding in this regard.

9.6.6 Finality of settlement: The Interim Resolution Professional published a notice on 20th November 2020 inviting all potential claimants to submit their proofs of claim on or before 2nd December 2020. This was published in newspapers in accordance with Applicable Law. The Applicant assumes that all creditors of the Company that have any claims against the Company have filed their claims and the verifiable claims have been admitted by Resolution Professional and disclosed in the information memorandum. Accordingly, the Applicant and the Company shall have no responsibility or liability in respect of any claims against the Company attributable to the period prior to the plan effective date or arising on account of the acquisition of control by the Applicant over the Company pursuant to this Resolution Plan, other than any payments specified to be made under this Resolution Plan and all claims along with any related legal proceedings, including criminal proceedings, shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity.



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10 Performance through group Company

- 10.1** The Resolution Applicant may perform any of its obligations under the Resolution Plan, in part or in full, either directly or indirectly, through or with, any direct or indirect group companies, as designated in writing by the Resolution Applicant, either individually or collectively (and the term "**Applicant**" shall be read to include NTPL and each designated entity). It is clarified that: (i) such designated entities could be incorporated; and (ii) each member of the board of directors of either the Applicant or shall otherwise not make the Resolution Applicant ineligible under section 29A of the IBC. The Resolution Applicant shall collectively perform all the obligations under the plan required of an Applicant.
- 10.2** The Applicant undertakes that all designated entities described above shall be eligible under section 29A of the IBC and necessary documents evidencing the same shall be provided, if called for by the RP.

11 OVERVIEW OF THE RESOLUTION APPLICANT

Naresh Tradelink Private Limited ("The Company") registered as Private Limited on 6th May 2005 with the Registrar of Companies, Gujarat. The company belongs to Hasmukh Agrawal Group. The Company was promoted by Mr. Tarachand Bansilal Agrawal, Mr. Hasmukh Tarachand Agrawal, Mrs. Sumitraben Tarachand Agrawal, Mrs. Anjuben Hasmukhbhai Agrawal, Mr. Jainam Hasmukhbhai Agrawal and Ms. Aneri Hasmukhbhai Agrawal for the purpose of Trading Business. The Company does its activity at their Ahmedabad Office. The Company has registered office at 304, "Aditya", B/H Sardar Patel Samaj Hall, Nr. Mithakhali Six Road, Navrangpura, Ahmedabad - 380006. Group is also engaged in the business of manufacturing of Decorative Laminates through its LLP firm M/s Red Mica Laminates Private Limited.



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Details of Director & their experience

1. Mr. Tarachand Bansilal Agrawal
He is founder promoter / director of the company. He is having experience of more than 50 years in the business. Under his guidance and supervision, the company has achieves sales turnover of Rs. 141.53 Crore in 2019-20.
2. Mr. Hasmukh Tarachand Agrawal
He is another founder promoter /director of the company. He is having experience of more than 30 years in the business. He is also designated partner in Kedarnath Paper LLP.
3. Mrs. Sumitraben Tarachand Agrawal
She is also founder promoter /director of the company. She is holding 14% of equity shares of the Company.
4. Mrs. Anjuben Hasmukhbhai Agrawal
She is also founder promoter /director of the company. She is holding 14% of equity shares of the Company. She is also designated partner in Kedarnath Paper LLP.
5. Mr. Jainam Hasmukhbhai Agrawal
He joined the company in July 2011. He did BBA and looking after sales department of the company. He is also director in Red Mica Private Limited. Red Mica Private Limited is engaged in the business of Manufacturing of Decorative Laminates Sheet. He is mainly looking after the overall operation of Red Mica Private Limited. He is having experience of more than 5 years in the business of manufacturing of Laminates Sheet.
6. Ms. Aneri Hasmukhbhai Agrawal
She joined the Company in July 2011. She did MBA and looking after the finance and accounts department of the company.



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Financial Performance of the Applicant**(Rs. In Crore)**

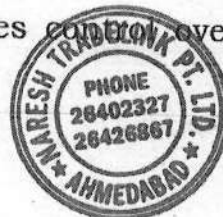
Particulars	2019-20	2018-19	2017-18	2016-17
Revenue from Operations	141.53	140.40	169.75	120.29
PBDIT / EBITA	5.06	4.29	4.37	3.47
PBT	1.18	1.09	1.52	1.07
PAT	0.87	0.77	1.02	0.71
Net Worth	12.21	7.83	7.05	6.03

12 BUSINESS PLAN**12.1 Refer Annexure - 3****13 INDICATIVE TIMELINE OF EVENTS FOR IMPLEMENTATION OF PROPOSED PLAN**

13.1 Obtaining of approvals for implementation of the Resolution Plan: On and from the date of the approval of the Resolution Plan by the NCLT, the obligation of the Applicant to implement the Resolution Plan shall be subject to receipt by the Applicant of the Company, as the case may be, of the requisite consent, approval or permission of the appropriate Governmental Authority, the Applicant's shareholders, as may be necessary for the effective implementation of the Resolution Plan.

13.1.1 Indicative timelines for implementation of the Resolution Plan;

13.1.2 The Applicant assumes that the Resolution Professional will take all necessary actions and execute all documents/agreement as may be required to maintain the Company as a going concern until the Applicant acquires control over the Company in the



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manner set out in this Resolution Plan. subject to obtaining approvals as started above, the Applicant process to implement this Resolution Plan as per the following indicative timelines;

Step	Action	Timeline (in business days)
Step 1	Approval of the Resolution Plan by Adjudicating Authority	T
Step 2	Payment of CIRP costs	T+30 business days
Step 3	Capital reduction of equity share capital of the Company	T +30 business days
Step 4	Infuse of funds by ways of equity or convertible securities or subordinate convertible loans or any other appropriate means	T+30 business days
Step 5	Upfront Payment to the Financial Creditors of the Company	T+30 business days
Step 6	Payment of Deferred Amount of Secured Financial Creditors	As per Payment Terms as set out in Para 4.3 (a)
Step 7	Receipt of NOC from lenders- simultaneously with payment of upfront amount	T+ 60 Days + 15 business days

T means date of approvals of the Resolution Plan by the NCLT. All Dates are tentative dates and are subject to change.



14 **OTHER KEY TERMS PERTAINING TO THE ACQUISITION OF CONTROL OF THE COMPANY**

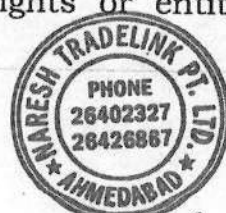
14.1 **Maintenance of the Company by the Resolution Professional as a going concern:**

14.1.1 Execute all such documents/agreements as may be required to maintain to the Company as a going concern until the Applicant acquires control over the Company in the manner set out in this Resolution Plan.

14.1.2 None of the Resolution Professional, Creditors (including any Financial Creditors, Operational creditor), Governmental Authority, or any other stakeholder involved in this Resolution Plan or otherwise connect with this Resolution Plan, the COC, nor the Company shall (i) take any of the actions specified in section 28 of the IBC; (ii) take any action or omission that could reasonably be expected to have a material adverse impact, direct or indirect, on the Resolution Plan or its successful implementation; or (iii) institute or continue any proceeding against the Company or transfer, encumber, alienate or dispose of any of the assets or interest of the Company or enforce any Encumbrance or security interest created by the Company or on the securities of the Company, without the prior written consent of the Applicant.

14.2 **Applications for Approvals:** The Applicant assumes that the Resolution Professional will sign all applications on behalf of the Company that are proposed be made to any other Governmental Authorities in order to obtain the necessary approvals for implementation of this Resolution Plan within the timelines set out herein.

14.3 **Treatment of Contracts:** All Contracts , Deeds , Bonds, Agreements, Indemnities or other similar rights or entitlements whatsoever,



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schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental Authority, Statutory or Regulatory Bodies) for the purpose of carrying on the business of the Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Company, or to the benefit of which the Company may be eligible and which are subsisting or having effect immediately before the order was passed by the NCLT pursuant to the order of the NCLT sanctioning the Resolution Plan and on this Resolution Plan becoming effective be deemed to and continue to be valid and subsisting, and any termination initiated pursuant to the initiation of the CIRP for any reason shall be deemed to have not been terminated. Such contracts, shall continue to be in full force and continue as effective and shall be the legal and enforceable rights and interests of the Company, which can be enforced and acted upon as fully and effectually as if there were no default or liabilities accrued or to be accrued. In relation to the same, any procedural requirements required to be fulfilled solely by the Company (and not by any of its successors), shall be deemed to be fulfilled by the Company.

14.4 Treatment of permits: with effect from the plan effective date, all permits held or availed of by, and all rights and benefits that have accrued to, the Company, shall without any further act, instrument or deed shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in applicable laws.

14.5 Approvals : All approvals necessary under applicable laws including but not limited to CA 2013, Foreign Exchange Management Act and all other statutory and regulatory approvals required for the implementation of the Resolution Plan shall be deemed to have been complied with pursuant to NCLT order approving the Resolution Plan



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- 14.6 The payment to persons contemplated in this Resolution Plan (including section 3(1)) shall be the Company's and the Applicant's full and final performance and satisfaction of all its obligations to such persons and all claims (including , for the avoidance of doubt , any unverified portion of their claims) of such persons against the Company shall stand irrevocably and unconditionally settled and extinguished in perpetuity on the plan effective date.
- 14.7 As set out in the RFRP, EMD paid along with Resolution Plan shall be returned to the Applicant within period of 7 days on Rejection of Plan by COC or by Adjudicating Authority. Further, the Resolution Professional shall refund EMD on submission of Performance Bank Guarantee within a period of 7 days as stipulated in RFRP. The Applicant further reserves right to claim Interest for delay in refund of Earnest money Deposit.
- 14.8 We hereby agree to infuse the funds as proposed in the financial proposal. we understand that the Resolution Professional and/ or the COC have further right to renegotiate the terms of this resolution proposal and the decision of the Resolution Professional and /or The COC in selection of the selected Applicant and / or the successful Applicant shall be final and binding on us. Capitalized terms used but not defined herein shall have the meaning given to the term in the RFRP.

Yours faithfully

For Naresh Tradelink Private Limited

M. K. gu

Director

Date: 27-08-2021

Place: Ahmedabad



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Part II - FINANCIAL PROPOSAL

August 29, 2021

Mr. Kailash Shah,
Resolution Professional in the matter of
Sterling Lam Limited
505, 21st Century Business Center,
Near World Trade Centre, Ring Road, Surat - 395002

Dear sir,

Sub: Revised Financial Proposal relating to Sterling Lam Limited ("Company")

1. Proposal for Creditors of the Company in details including:

Refer to section 4.1 to 4.3 of Resolution Plan

2. Acquisition of Management Control

Refer the section 4 (8) of the Resolution Plan

3. Financial Support from the Parent/ Ultimate Parent / Group Company

The Applicant will arrange for infusion of funds by way of equity or convertible securities or subordinate convertible loans or any other appropriate means, to be used to settle the sustainable debt. Necessary support, if any, will be provided by the group Company.

Sources of Fund

(Rs. In Crore)

SN	Particulars	FY21
A	Source of Funds	
1	EMD with RP	0.10
2	Deposit along with LOI	0.40
2	Equity / Unsecured Loan from Applicant	15.17
	Sub Total	15.72
B	Uses of Funds	



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1	Payment towards CIRP Cost	0.35
2	Payment to Secured Financial Creditors	7.85
3	Payment to Operational Creditors	0.01
4	Provision for Contingent Liabilities if any	0.01
5	Initial expenditure to start factory	2.50
6	Working Capital requirement	5.00
	Sub Total	15.72

The Resolution Applicant propose to infuse Rs 15.72 Crore in form of fresh equity of Rs. 1.00 Crore and Rs 14.72 Crore as Unsecured Loan to meet the payment proposed to be made to various stake holders and to meet initial expenditure to start operation and initial working capital requirement to run the unit as set out in the Business Plan annexed with the resolution plan in Annexure - 3.

Details of Sources of Fund

The Resolution Applicant proposed to infuse Equity Capital of Rs. 1.00 Crore.

It is also proposed infuse Rs. 14.72 Crore in form of unsecured Loan.

The Applicant also propose to extend Corporate Guarantee to secured financial creditor till the full and final settlement of amount proposed in this Resolution Plan.

4. Performance Security

The Applicant undertake that in case the Resolution Applicant is selected as the Successful Resolution Applicant and it's Resolution Plan is approved under sub-section (4) of Section 30 of the Code, shall provide performance security Deposit amounting to 5% of the Resolution Plan Value or Rs.35,00,000/- whichever is higher by way of demand draft/pay order/bankers cheque/bank guarantee drawn in favour of Designated Lender issued by any Bank, payable at par or in form of an unconditional



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FBG in favour of Union Bank of India within 7 (seven) business days from the date of issue of Letter of Intent.

We acknowledge that the proposal for additional debt from the Lenders is not envisaged as part of this Financial Proposal.

Yours faithfully

For Naresh Tradelink Private Limited

H. K. G.
Director



Date: 29-08-2021

Place: Ahmedabad

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ANNEXURE 1

PART A - DEFINITIONS

Defined Term	Meaning
Admitted Financial Debt or Admitted Debt	Shall have the meaning ascribed to such term under Section 4.3 of the Resolution Plan
Admitted Workmen and Employees	Shall have the meaning ascribed to such term under Section 4.2 of the Resolution Plan
Applicant	NTPL or any of its Group Company including a Special Purpose Vehicle ("SPV") set up by any of the entities forming part of the Group Companies
Applicable Law(s)	All applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority or any licenses, consents or approvals granted by any Governmental Authority,
Board/ Board of Directors	Board of directors of the Company
CA 2013	The Companies Act, 2013 (as amended from time to time) and or Companies Act, 1956 (to the extent applicable)
Capital Reduction	Shall have the meaning ascribed to such term this Resolution Plan
CBDT	Central Board of Direct Taxes
Claim(s)	A right to payment, right to remedy arising pursuant to a contract, under any law for the time being in force, if such breach gives rise to a right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, matured, unmatured, secured or unsecured, contingent, crystallised or fructified, of any nature whatsoever
CEO	Chief Executive officer
CFO	Chief Financial officer
CIBIL	Credit Information Bureau (India) Limited



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CIRP	Corporate Insolvency Resolution Process
CIRP Costs	The costs arising on account of the CIRP as determined in accordance with Section 5(13)(e) of the IBC read with Regulation 31 of the CIRP Regulations
CIRP Regulations	The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016
COC	Committee of Creditors of the Company
Company	shall mean Sterling Lam Private Limited, a Company incorporated in India under the Companies Act 1956, having its registered office at Block No. 123, at Mahiyal, Talod, Gujarat - 383215
Cr	Crore
EOI	Expression of Interest
FY	Financial Year
Encumbrance	Any mortgage, pledge, options, equitable interest, assignment by way of security, hypothecation, right of other Person, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, lien, charge, restriction or limitation of any nature whatsoever, encroachment, right of way, easementary rights, including restriction on use, voting rights, transfer, receipt of income or exercise of any other right related to ownership, or any other security interest of any kind whatsoever, or any arrangement, whether conditional or otherwise, to create any of the above and includes any arrangement that has the commercial effect of an encumbrance or security interest
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
SLL	Sterling Lam Limited
Financial Creditor	Shall have the meaning ascribed in 4.3 of the Resolution Plan
Financial	Shall have the meaning ascribed in 4.3 of the Resolution Plan



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Financial Proposal	Shall mean the detailed proposal to be submitted by the Applicant in accordance Part II of this plan
Governmental Authority(s)	The President of India, the GOI, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any Court, Tribunal, Commission or other Judicial or Quasi-Judicial Body, and shall include, without limitation, any stock exchange, depository and any regulatory body
Group Company(s)	any Company shall mean and include (i) a Company which, directly or indirectly, holds 26% (twenty six percent) or more of the share capital of the said Company or (ii) a Company in which the said Company, directly or indirectly, holds 26% (twenty six percent) or more of the share capital or (iii) a Company in which the said Company, directly or indirectly, has the power to direct or cause to be directed the management and policies of such Company whether through the ownership of securities or agreement or any other arrangement or otherwise or (iv) a Company which, directly or indirectly, has the power to direct or cause to be directed the management and policies of the said Company whether through the ownership of securities or agreement or any other arrangement or otherwise or (v) a Company which is under common control with the said Company, and control shall mean the ownership of at least 26% (twenty six percent) of the share capital of a Company or power to direct or cause to be directed the management and policies of such Company whether through the ownership of securities or agreement or any other arrangement or otherwise.



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IBC	The Insolvency and Bankruptcy Code, 2016 (as amended from time to time) and the allied rules and regulations including the CIRP Regulations (as amended from time to time)
IM or Information Memorandum	Information memorandum on received in March 21 for the CIRP of the Company by the Resolution Professional, as amended or modified from time to time.
INR or Rs.	Indian Rupee, the lawful currency of the Republic of India
Liquidation Value	Meaning as defined in IBC
LODR	SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015
MCA	Ministry of Corporate Affairs
MT	Metric Tonnes
MTPA	Million Tonnes Per Annum
NCLT or Adjudicating	Ahmedabad Bench of the National Company Law Tribunal as constituted under Section 408 of the CA 2013
Non-Compliance	Any delay, default, non-compliance, breach, violation, contravention by the Company, any member or shareholder of the Company or any Person associated with the Company in any manner under the terms of Applicable Law or any agreement or arrangement binding on the Company along with all fines, penalties, default interest, damages, and any amounts of whatsoever nature in relation thereto
Operational Creditors	Shall have the meaning ascribed to such term under Section 4.5 of this Resolution Plan
Permits	All consents, licenses, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings from or relating to any Governmental Authority under Applicable Law including but not limited to the permits



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Plan Effective Date	Shall mean the date on which the Resolution Proposal is accepted and approved by the Adjudicating Authority, in accordance with the terms of this RFRP and provisions of Applicable Law or such date as may be agreed between the Resolution Applicant and the COC, on which the Resolution Plan shall become operative.
Plant Implementation Date	Shall mean the date on which the whole amount proposed to be paid in this Resolution Plan to various stakeholders are paid by the Applicant.
Potential Workmen Dues	Shall have the meaning ascribed to such term under Section 4.2 of this Resolution Plan
PAT	Profit After Tax
ROC	Registrar of Companies
Resolution Applicant	Naresh Tradelink Private Limited
Resolution Plan	Proposed Insolvency Resolution Plan in relation to the Company submitted by Applicant in terms of the IM on August 2020
Resolution Professional or RP	Shall mean Mr. Kailash Shah, appointed as the resolution professional for SLL by COC/ NCLT, and any replacement of resolution professional appointed by the COC
RFRP	Request for Resolution Plan
RBI	The Reserve Bank of India
SEBI	The Securities and Exchange Board of India
Share Capital	Shall have the meaning ascribed to such term under Section 4.8(5) of this Resolution Plan
NTPL	Naresh Tradelink Private Limited
SPV	Special Purpose Vehicle
Sustainable Debt	Shall have the meaning ascribed to such term under Section 4.5(4)(1) of this Resolution Plan



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Taxation or Tax or Taxes	All forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, goods, services, stamp duty, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the demerged Company, the resulting Company, the transferor Company or the transferee Company or any other Person and all penalties, charges, costs and interest relating thereto
TPA	Tonne Per Annum
Workmen	Workmen of the Company as defined under Section 2(s) of the Industrial Disputes Act, 1947



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Annexure - 2

Concessions, Reliefs and Dispensation

1. The Central Board of Direct Taxes (CBDT) or any other relevant Government Authority to exempt the Resolution Applicant and the Company from the applicability of and payment of all Taxes under the Income Tax Act, 1961 (including Section 115JB), including any liability under the Minimum Alternate Tax which may arise on account of the transactions envisaged under this Resolution Plan either on the Resolution Applicant, the Acquiring entity or the Company or any other Person who is likely to be impacted due to implementation of the Resolution Plan, The Adjudicating Authority shall pass the order to that effect.
2. The CBDT and or any other Government Authority to allow the Company to enjoy and avail in future any tax benefits, deductions, exemptions as per the relevant provisions of the applicable law which the Company and /or SLL was entitled to as on the Plan Effective Date for the balance period as per the relevant provisions of the Applicable Law.
3. All license and Government Approvals held by the Company, which expires prior to the Plan Effective Date or within a period of six (6) months thereafter, shall be renewed / extended by the relevant Government Authorities, and the Company shall be permitted to continue to operate its business and assets in the manner operated prior to submission of this Resolution Plan until renewal / extension of such licenses and approvals. The relevant Government Authorities will provide a reasonable period of time after the Plan effective Date in order for the Resolution Applicant to assess the status of the licenses and Governmental Approvals required by the Company and to procure that the Company applies for the same.
4. The Collector of Stamps, Revenue Department, of any State Government and the Ministry of Corporate Affairs to exempt the Resolution Applicant and the Company, from the levy of Stamp Duty and fees applicable in relation to this Resolution Plan and its implementation, including any stamp duty and registration costs, as applicable.



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5. The relevant State Pollution Control Boards to approve renewal of the Consents to operate obtained by the Company under the applicable provision of the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981.
6. All Government Entities to waive all past Non-Compliances of the Company under Applicable Laws, and the Company, Applicant shall not be liable for any Non-Compliances under Applicable Laws for the period prior to the Plan Effective Date.
7. All fuel supply agreement entered into by SLL, shall be assigned to the Company on approval of this Resolution Plan pursuant to operation of Law and without requiring any act or deed either on part of the Company and /or SLL.
8. The right of any Person (whether exercisable now or in the future and whether contingent or not) to call for the allotment, issue, sale or transfer of shares or loan capital of the Company or the Applicant, whether on a change of control, or otherwise, shall stand unconditionally and irrevocably extinguished.
9. The Company shall entitle to review, modify or terminate contracts (including contracts with parties that were related parties of the Company) prior to the Insolvency Commencement Date which impose onerous conditions hindering the restructuring for the Company.
10. The relevant Government Authority to exempt the Resolution Applicant and the Company from the applicability of and payment of all Taxes under the Central Goods and Service Tax Act, 2017 which may arise on account of the transaction envisaged under this Resolution Plan either on the Resolution Applicant, the Acquiring Entity or the Company or any other Person who is likely to be impacted due to implementation of the Resolution Plan, and the Adjudicating Authority shall pass an order to that effect.
11. NCLT Approves the Capital Reduction as contemplated under this Resolution Plan of the equity share of the Company, without requiring compliance with the provision of Section 66(1) and (2) of the Companies Act, 2013.



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12. The CBDT to consider to provide relief to the Company from all direct tax litigation pending at different level and provide waiver from all Tax dues including interest and penalty on such litigations.
13. The Central Board of Excise and Customs / respective value-added Tax/ Entry Tax authorities / Director General of foreign trade to consider and providing relief to the Company from all litigation pending at different levels and provide waiver from tax dues including interest and penalty on such litigation.
14. The Respective Government Authorities to consider providing relief from applicability of and payment of Taxes under Provisions of the Goods and Service Taxes which may arise as a result of implementation of the Resolution Plan either on the Resolution Applicant or the Company or SPV or any other Person who is likely to be impacted due to implementation of the Resolution Plan.
15. All Government Authorities to waive the Non-Compliances of the Company prior to the Plan Effective Date, including but not limited to CA 2013, the Industrial Disputes Act, 1947, and the relevant shops and establishment acts and rules, circulars and regulations of each of the above legislations.
16. The Ministry of Environmental, Forest and Climate Change, the Central Pollution Control Board, the Gujarat Pollution Control Board and all other Government Authorities concerned to waive any Non-Compliances by the Company under Applicable Law pertaining to environmental and forests (including but not limited to the Environmental Protection Act, 1986, Indian Forest Act, 1927, The Forest Act, 1980, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the rules made there under each of the aforesaid legislations)
17. All Government Authorities to grant any relief, concessions or dispensation as my be required for implementation of the transactions contemplated under Resolution Plan in accordance with its terms and conditions.



Annexure - 3

Business Plan

Set out below is the business plan for the Company Applicant intends to pursue upon acquisition of control over the Company pursuant to this Resolution Plan. This business plan is based on due diligence conducted by the Applicant on the Company and is subject to change and refinement depending upon further information becoming available to the Applicant, changes in global investment scenarios and market conditions, among other relevant factors;

- Highlights of the proposed business plan are as under;
- The Applicant propose to incur initial capex of Rs. 2.50 Crore for Start of Commercial Operation of the Company.
- The applicant expecting Net Sales of Rs. 24 Crore per Year (considering full year of operation) with 10% growth every year.
- The Applicant may discard old and unusable machines.
- The Applicant also propose to install new machineries with latest Technology.
- Initially the Applicant will start manufacturing of Industrial Laminates and then start manufacturing of Decorative Laminates.

The Applicants projected revenue are as under:-

(Amt in Crore)

Particulars	FY -1	FY - 2	FY-3	FY -4	FY-5
Revenue /Sales	20.00	24.00	26.40	29.04	31.94
Operating Profit	1.93	2.35	2.70	3.12	3.52
Profit Before Tax	(0.10)	0.39	0.87	1.29	1.67
Profit after Tax	(0.10)	0.27	0.61	0.91	1.17



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NARESH
Tradelink Pvt. Ltd.

13th October 2021

To

Mr. Kailash Shah,
Resolution Professional in the matter of
Sterling Lam Limited
505, 21st Century Business Center,
Near World Trade Centre, Ring Road, Surat - 395002

Subject : Addendum to Resolution Plan dated 29th August 2021

We, Naresh Tradelink Private Limited, has submitted our Resolution Plan dated 29th August 2021 for revival of Sterling Lam Limited to your good office. Pursuant to discussion with your good self and Committee of Creditors on 13th October 2021. We are pleased to submit our final offer as under:-

Payment proposed towards	Amount proposed to be Paid	Terms of Payment
CIRP Cost (Estimated)	45,00,000	Payable within 30 days of Approval of Resolution Plan by Adjudicating Authority. Any change in the CIRP cost (increase or decrease) would be proportionately adjusted against the payments to be made to Secured Financial Creditors so



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AR For Naresh Tradelink

304, "Aditya", B/H Sardar Patel Seva Samaj Hall,
Mithakhali Six Road, Ahmedabad : 380006 (Guj) INDIA

Ph : 079-26402327, Telefax : 079-26426867, Email : ntpl2009@yahoo.in

CIN NO.: U51100GJ2005PTC046005

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		that overall financial obligation of the Resolution Applicant remains unchanged.
Financial Creditors (Secured)	7,85,00,000	Refer Note - 1
Operational Creditors (Government Dues)	52,069	Payable within 30 days of Approval of Resolution Plan by Adjudicating Authority.
Operational Creditors (other than Workmen and Employees and Government Dues)	50,211	Payable within 30 days of Approval of Resolution Plan by Adjudicating Authority.
Total	8,31,02,280	
Contingent Liabilities	50,000	
Total	8,31,52,280	

Note - 1

Repayment schedule is as under:-

(Rs. In Lacs)

-Payment up to	Principal	Interest (@ 10% p.a)	Total Payment	Outstanding
EMD	10.00	-	10.00	775.00
Deposit (PBG)	40.00	-	40.00	735.00
Upfront within 30 Days from Approval by AA	235.00	-	235.00	500.00
Balance within 60 days from approval of AA	500.00	4.17	504.17	--
Total	785.00	4.17	789.17	

Shamshul H. Bhat
AR For Navsh Tradelink

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Sources & Application Fund:-

The Applicant will arrange for infusion of funds by way of equity or convertible securities or subordinate convertible loans or any other appropriate means, to be used to settle the sustainable debt. Necessary support, if any, will be provided by the group Company.

Sources of Fund

(Rs. In Crore)

SN	Particulars	FY21
A	Source of Funds	
1	EMD with RP	0.10
2	Deposit along with LOI	0.40
2	Equity / Unsecured Loan from Applicant	15.32
	Sub Total	15.82
B	Uses of Funds	
1	Payment towards CIRP Cost	0.45
2	Payment to Secured Financial Creditors	7.85
3	Payment to Operational Creditors	0.01
4	Provision for Contingent Liabilities if any	0.01
5	Initial expenditure to start factory	2.50
6	Working Capital requirement	5.00
	Sub Total	15.82

The Resolution Applicant propose to infuse Rs 15.82 Crore in form of fresh equity of Rs. 2.00 Crore and Rs 13.82 Crore as Unsecured Loan to meet the payment proposed to be made to various stake holders and to meet initial expenditure to start operation and initial working capital requirement to run the unit as set out in the Business Plan annexed with the resolution plan.

This addendum shall be read in conjunction with our resolution plan dated 29th August 2021. All other terms and conditions & Other Content mentioned in

Shamshul T. Shetye:
 At for Narech Trade Link

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Resolution Plan dated 29th August 2021 shall remain unchanged and would apply to this addendum also.

Thanking you

Yours Faithfully

For Naresh Tradelink Private Limited

Director

Shamsh T. Muly
AR for Naresh Tradelink



To,

M/s Naresh Tradelink Private Limited,

Successful Resolution Applicant in the matter of

M/s Sterling Lam Limited

Dear Sir,

Subject:- Approval of your Resolution Plan in the matter of M/s Sterling Lam Limited

We are glad to inform you that in the 07th CoC meeting in the matter of M/s Sterling Lam Limited held on 13th October, 2021, the CoC has decided to approve your Resolution Plan and selected you as the Successful Resolution Applicant. As per your approved Resolution Plan, we request you to submit Performance Guarantee/Demand Draft of Rs. 35,00,000/- or 5% of Resolution Plan Value, whichever is higher within 07 days of receipt of this letter.

In case of any query or need for explanation, do let us know.



IP CA Kailash Shah

Resolution Professional in the matter of M/s Sterling Lam Limited

