

**NATIONAL COMPANY LAW TRIBUNAL**

**MUMBAI BENCH**

**Under Section 30(6) of Insolvency and  
Bankruptcy Code, 2016 for approval of  
Resolution Plan**

**M.A. NO. 773 OF 2020**

Filed by:

**Rajendra K Bhuta**

Resolution Professional,

**...Applicant**

In the matter of

**C.P. (IB) No. 1328 OF 2019**

**Shri Krishna Enterprises**

Shop No. 17, Urmila CHS Ltd.,

Koldongri Road No. 1, Off. Sahar Road, Andheri  
(East), Mumbai – 400 069

**...Operational Creditor**

**versus**

**Paramount Wheels Private Limited**

CIN: U50102MH2010PTC210802

Having its registered office at:

Bhanji Udyog Nagar, Next to Ajit Palace Hotel,  
Penkar Pada, Opp. Golden Chemical, Mira  
Road (East), Thane – 401 104

**...Corporate Debtor**

**Order Pronounced on: 09.09.2020**

**Coram:**

**Hon'ble Venkata Subba Rao Hari, Member (Judicial)**

**Hon'ble Shri Shyam Babu Gautam (Member Technical)**

**Appearance:**

**For the Applicant RP:** Mr. Darryl Pereira

**For the Resolution Applicant:** Mr. Aditya Wadhwa a/w Mr.  
Debopriyo Moulik, Advocates.

**Per:**

***Shri Venkata Subba Rao Hari, Member (Judicial)***

***Shri Shyam Babu Gautam, Member (Technical)***

**ORDER**

1. This is a Miscellaneous Application filed the Resolution Professional Mr. Rajendra K Bhuta of Paramount Wheels Private Limited (hereinafter called as the “corporate debtor”). This application has been filed under Section 30(6) of the Insolvency and Bankruptcy Code, 2016. The Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was commenced by an order dated 19.05.2019 in the current CP No. 1328 of 2019.
2. Later, on 31.05.2019, public announcement was made inviting claims from all the creditors to be filed by 12.06.2019. In response to this announcement, claims from 4 Financial Creditors and 2 Operational Creditors were received. The first meeting of the Committee of Creditors (CoC) was held on 26.06.2019 after which the Interim Resolution Professional IRP Mr. Prakash Naringrekar received claim from HDFC Bank and Mahindra Finance and therefore the voting rights of the Financial Creditors have undergone changes. The report reconstituting the CoC was filed by the IRP on 22.07.2019 which is attached as Annexure VI. The 2<sup>nd</sup> CoC meeting was held on 29.07.2019 wherein the CoC had deferred the decision to appoint the Resolution Professional.
3. The 3<sup>rd</sup> CoC meeting was held on 02.08.2019 wherein the Expression of Interest (EOI), the eligibility criterion of the Resolution Applicants were discussed. The date of submission of the EOI was fixed to 04.08.2019.
4. During the 4<sup>th</sup> CoC meeting held on 28.07.2019, the IRP had placed before the CoC, Financial Claims and Operational Claims revived statement. The IRP explained that after verification, Mahindra and Mahindra Financial Services Ltd. Claim for interest was accepted. With this voting share of CoC members is marginally changed as:

State Bank of India	52.79%
Axis Bank	23.14%
ICICI Bank	14.43%
Yes Bank	7.69%
HDFC Bank	1.26%
Mahindra and Mahindra Financial Services Ltd.	0.69%

5. The Operational Creditors' claim of Rs. 17,28,06,364/- was noted by the CoC. The IRP then informed the CoC that in response to newspaper advertisement in Form G published on 05.08.2019, EOI is received from two parties viz. Mr. Rajeev Arora, the suspended Director and Promoter of the Corporate Debtor and the other from Popular Vehicles and Services Limited. The IRP informed that he is verifying eligibility documents as per IBC. The CoC members then asked for an update on the pre-requisition of Maruti Suzuki India Limited NOC for prospective Resolution Applicant for handling over the dealership post CIRP process. The IRP informed that he has written to MSIL and he has received a reply which he placed before the meeting and was noted by the CoC members. The IRP then placed before the meeting the Draft Request for Resolution Plan (RFRP) and the Evaluation Matrix together with the working statements prepared by him, the same was duly approved by CoC members. The IRP then informed the CoC that the valuers appointed have visited the sites and taken the necessary documents from the Corporate Debtor and he expects the exercise to be completed in 15 days or so. The CoC then suggested the name of Mr. Rajendra K. Bhuta, (the current RP and applicant herein) to be the Resolution Professional for which the CoC has unanimously approved with 100% votes. The minutes of the 4<sup>th</sup> CoC meeting along with the attendance register and E-voting is annexed with the application at Annexure-X.
6. Later, the 5<sup>th</sup> CoC meeting was held on 27.09.2019 wherein the IRP updated the members that 2 Prospective Resolution Applicants are eligible and are expected to submit their Resolution Plan. Along with that one more party has shown interest towards filing of Resolution Plan and the IRP is

awaiting the eligibility criteria documents from that party. The last date of submission of Resolution Plan was 04.10.2019.

7. The 6<sup>th</sup> CoC meeting was held on 07.08.2019 wherein two Resolution Plans were received, one by Mr. Rajeev Arora who had given a cheque worth Rs. 10 Lakhs and other by Popular Vehicles and Services Ltd., Kerala who had given a Bank Guarantee of Rs. 10 Lakhs. It was found that the Resolution Plan submitted by Popular Vehicles and Services Ltd. Was worth Rs. 400 Lakhs and that by Mr. Rajeev Arora was for Rs. 511 Lakhs.
8. During the 7<sup>th</sup> meeting of the CoC held on 15.10.2019, the CoC members discussed the Fair Value and Liquidation Value of the Corporate Debtor. It further discussed the two Resolution Plans received from the Resolution Applicants. They were not satisfied with the financial bids of the Resolution Applicants and therefore, unanimously agreed that the Resolution Plan must be discussed with the bidders for improvement. The Resolution Plan was separately discussed with the Resolution Applicant. Both the Resolution Applicants were called by the CoC and discussed their plans with them and explained that the plans did not fulfil their expectations and needs to be substantially revised upwards. Both the applicants sought some time from the CoC.
9. The 8<sup>th</sup> CoC meeting was held on 18.10.2019 wherein the IRP explained that the Resolution Plans submitted by the Resolution Applicants are not matching the expectations of CoC members. The plan submitted by Popular Vehicles & Services Ltd is non-compliant as it has not considered the interest of all other creditors. The other plan submitted by Mr. Rajiv Arora is far below the expectation. Therefore, the CoC suggested the RP to put the existing the Resolution Plan as received for e-voting. Both the plans were put to voting and were rejected by 77% votes while balance 23% abstained from voting. The other matter for voting was for the extension of CIRP period by 90 days which the CoC approved by 100% votes. Accordingly, an application was filed and the extension was allowed by this Tribunal.
10. Further, in the 9<sup>th</sup> CoC meeting which was held on 24.10.2019, the Resolution Applicant showed concern that despite of allowing 7 days' time

to him, his plan was again put to voting and rejected during the 7<sup>th</sup> CoC meeting. He therefore, requested the CoC to reconsider the decision as his revised plan was ready. The CoC then deliberated on the matter of inviting EOIs and cancelled the earlier result of rejection of plans by both the Resolution Applicants. They were thus allowed to resubmit their revised plans by 02.11.2019.

11. On 06.11.2019, this Tribunal allowed the appointment of Mr. Rajendra K. Bhuta as the Resolution Professional and therefore, he was a special invitee to the 10<sup>th</sup> meeting of the CoC held on 08.11.2019. During this meeting, the IRP informed about the email from Popular Vehicles and Services Ltd. Dated 29.10.2019 stating that they do not wish to revise the Resolution Plan submitted by them and as it was not in compliance with the provisions of the Code, it is invalid. Therefore, only the revised plan submitted by Mr. Rajeev Arora was discussed but as Mr. Arora was out of town, he promised that he will respond to the queries by 13.11.2019.
12. The 11<sup>th</sup> meeting was chaired by the applicant herein. The Plan of Mr. Arora was placed on table for consideration of CoC. 16 points in all were raised by the RP which were discussed in length and members of CoC expressed that these points need to be evaluated by commercial and legal department of respective banks to which the Resolution Applicant also agreed and correct the Resolution Plan wherever it is considered fit. Since the plan was under consideration, the option for liquidation of Corporate Debtor was not placed on board for discussion.
13. Further, the 12<sup>th</sup> CoC meeting was held on 06.12.2019 wherein the revised Resolution Plan by Mr. Rajeev Arora on 02.12.2019 was taken up for discussion and 23 points were raised by the RP. The changes suggested by the CoC were noted by the Resolution Applicant and he agreed to submit a revised Resolution Plan incorporating the observations before CoC for its consideration. Subsequently, a Revised Resolution Plan dated 12.12.2019 was submitted by him wherein he had improved the Total Amount Payable to Rs. 9 Crores and an amount of Rs. 25 Lakhs towards release of Personal Guarantee and has further modified and amended the Plan as suggested by the RP in the CoC meeting held on 06.12.2019.

14. The 13<sup>th</sup> CoC meeting was held on 03.01.2020 wherein the valuers appointed for valuation of land and building, plant and machinery, financial assets were submitted. Since there was a significant difference, the RP appointed the 3<sup>rd</sup> Valuer to carry out valuation as per provisions of Regulation 35(1)(b) of IBBI (IRPCP) Regulations, 2016. The valuation report of all valuers including valuation of 3<sup>rd</sup> Valuer were placed on table before members of CoC. The copies of these Valuation Reports are annexed at Annexure XXII (colly) and the Summary at Annexure XXIII of the application. Further the plan dated 12.12.2019 submitted by Mr. Rajeev Arora was discussed. The amount proposed in the Revised Resolution Plan had considered the distribution to Secured Financial Creditors and Unsecured Financial Creditors in the same ratio, whereas, the representative of State Bank of India Secured Financial Creditor had objected to the ratio of distribution and proposed the revision in the distribution of amount amongst Secured and Unsecured Financial Creditors. The Resolution Applicant was called to submit addendum to the Revised Resolution Plan to incorporate revised amount of distribution. The representative of the Resolution Applicant noted the concern and confirmed that Resolution Applicant will submit a letter confirming the revised distribution schedule as discussed in the meeting. The minutes of this meeting are attached at Annexure XXIV of the application.

15. After this, the Resolution Applicant then by his letter dated 04.01.2020 submitted his modified distribution schedule to the RP who then sent it to the CoC along with the Resolution Plan dated 12.12.2019 under cover of letter dated 06.01.2020. The report of the RP dated 06.01.2020 along with the Resolution Plan and Revised Distribution Schedule letter dated 04.01.2020 from the Resolution Applicant is provided as Annexure XXV (Colly) of the application.

The Resolution Plan was further negotiated by State Bank of India to improve the amount of Upfront Cash Payment towards release of Personal Guarantee to Financial Creditors by erstwhile management of the Corporate Debtor. Accordingly, the Resolution Applicant has improved the Upfront Cash Payment towards release of Personal Guarantee from Rs. 25 Lakhs to Rs. 35 Lakhs by 2<sup>nd</sup> Addendum dated 10.02.2020. Now the

Resolution Plan was placed for voting from 14.02.2020 to 18.02.2020. This plan was now accepted by a majority of 77% votes, the result of which is provided at Annexure XXVI of the application.

16. The applicant mentioned that the Resolution Applicant is eligible under Section 29 A of the Code to submit a Resolution Plan. The Resolution Plan as submitted to the RP by the Resolution Applicant has been prepared in accordance with the provisions of the Code and the CIRP Regulations. The RP has submitted the same to the CoC along with details of transactions under preferential transactions under Section 43, undervalued transactions under Section 45, extortionate credit transactions under Section 50 and fraudulent transactions under Section 66 vide email dated 06.01.2020 and a note of Forensic Audit dated 10.12.2019. The said plan was put to vote has been approved by the CoC with 77% votes. The RP has filed this application before this Tribunal prior to the completion of CIRP period.

17. Later on 18.07.2020, the Resolution Applicant has submitted Addendum 3 to the Resolution Plan making certain amendments. He stated the following reasons for revision in the Resolution Plan:

- i. Loss of Asset due to Illegal Eviction - Penkarpada Workshop at Vijay Prints Compound, Near Ajit Palace Hotel, Thane. Maharashtra.
- ii. Loss due to inaction on Saleable Value of BSiV Inventory & Demo Cars
- iii. Damages and Deterioration of Workshop Kashimira due to no security
- iv. Exponentially high and undisclosed CIRP Costs
- v. Impact of Covid 19
- vi. Reduction in Financial support from investors / lenders.

18. The Resolution Applicant mentioned that the overall Resolution Amount is the same as was in the Resolution Plan as approved by the CoC but has only sought for some additional time due to these reasons mentioned above. He further mentioned that the amount is the same both with respect to the company as well as the personal guarantee of the promoters.

19. Following was the revised Financial Offer from the side of the Resolution Applicant. He stated that:

In lieu of the material facts as mentioned above and as permitted by honorable NCLT court, my revised financial offer and its comparison with the previous resolution plan approved by the COC is mentioned below for the consideration of the COC:

<b>Particulars</b>	<b>Approved plan (INR crs)</b>	<b>Revision proposed now (INR crs)</b>
Towards resolution of company	9.00	9.00
Towards resolution of PG	0.35	0.35
<b>Total plan value</b>	<b>9.35</b>	<b>9.35</b>
<b><u>Payment Terms:</u></b>		
Upfront Cash Payment	5.35	3.85
12 Months from (" <b>Upfront Cash Payment</b> ")	0.00	1.00
On or before 31 <sup>st</sup> March 2021	4.00	0.00
24 Months from (" <b>Upfront Cash Payment</b> ")		1.00
36 Months from (" <b>Upfront Cash Payment</b> ")		1.75
42 Months from (" <b>Upfront Cash Payment</b> ")		1.40

#### **Distribution of Total Resolution Amount**

<b>#</b>	<b>Liabilities under Resolution Plan</b>	<b>Amount payable (INR)</b>
<b>A.</b>	<b>Pending to be paid CIRP Costs till 31<sup>st</sup> July 2020(Pls also refer to the note below)</b>	<b>53,841,247.00</b>
<b>B</b>	<b>Estimate of further CIPR costs to be incurred till approval of the resolution plan</b>	<b>25,00,000</b>
<b>C</b>	<b>Towards Interim Finance and interest for 8 months @ rate of 12% p.a.</b>	<b>56,00,000</b>

	<b>Total of (A+B+C)</b>	<b>61,941,247</b>
<b>D</b>	<b>Financial Creditors</b>	
	SBI	16,998,977
	ICICI	4,648,026
	Axis	3,821,349
	Yes	1,269,298
	HDFC	207,339
	Mahindra Finance	113,764
	<b>Total of (D)</b>	<b>27,058,753</b>
<b>E</b>	<b>Operational Creditor</b>	
	Statutory Dues *	500,000
	Other Operational Creditors	500,000
	<b>Total of (E)</b>	<b>10,00,000</b>
	<b>Total (A+B+C+D+E)</b>	<b>9,00,00,000</b>

\* Statutory Dues submitted in IM do not reflect the Input Credit of GST and Appeal amounts of Vat liabilities disputed by CD.

20. According to the Addendum 3, Distribution of payment towards release of Personal Guarantees of Mr. Rajeev Arora and Mr. Sanjeev Arora to Financial Creditors shall be as under:

<b>Financial Creditors</b>	<b>Claims received (Amount in INR)</b>	<b>Claims Admitted (Amount in INR)</b>	<b>Amount payable (Amount in INR)</b>
State Bank of India	16,73,25,743	16,73,25,743	1847601
Axis Bank	7,33,62,881	7,33,62,881	810069
ICICI Bank	4,60,48,728	4,57,51,835	505189
Yes Bank	2,43,68,188	2,43,68,188	269072
HDFC Bank	39,80,528	39,80,528	43953
Mahindra Finance	21,84,065	21,84,065	24116
<b>Total</b>	<b>31,72,70,133</b>	<b>31,69,73,240</b>	<b>35,00,000</b>

Note: Payment towards personal guarantees shall be upfront over and above the Rs. 3.85 crs upfront payment. Release of personal guarantees

however shall be only once entire repayment is done as per the repayment sched

21. However, for the sake of clarity and to have better understanding of the entire plan and to avoid any ambiguity, the plan as submitted by the Resolution Applicant and as approved by the CoC is hereby reproduced:

DATED 12<sup>th</sup> December, 2019

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**THE RESOLUTION PLAN FOR PARAMOUNT WHEELS PRIVATE LIMITED**

SUBMITTED BY:

**RESOLUTION APPLICANT –MR. RAJEEV ARORA**

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## **RESOLUTION PLAN**

To,

**ATTN. OF:**

**Mr. Rajendra K. Bhuta**

**Resolution Professional**

**ADDRESS:**

**303- Raghuv eer Tower,**

**Chamunda Circle, Borivali West**

**Mumbai – 400092.**

**“Name of the Resolution Applicant - Mr. Rajeev Arora”**

Dear Sir,

**Sub:** Resolution Plan for **Paramount Wheels Private Limited** in respect of its Corporate Insolvency Resolution Process (“CIRP”).

### **PART I –INTRODUCTION OF THE RESOLUTION APPLICANT**

#### **Mr. Rajeev Arora**

An experienced and dynamic Business man, with over 25 years of experience in Design, Manufacturing and Exports of Multiple Fashion products out of India, Rajeev has worked and conducted business with some the largest retailers in the world such as Wal-Mart. Sears, Target, Zara, Carrefour to name a few. His Extensive Travel and experience in Sales & business Development helped in partnering and growth of MODELAMA EXPORTS. He is a BTEC from De Montford University UK and has worked in Italy & the UK prior to his return to India. In addition to the above, he has completed a diploma in Succession Planning (IIM Ahmedabad).

His desire to partner in the retail space in India let him to add Automobile's to the portfolios of business's, he embarked on setting up a Dealership along with His Brother Sanjeev for the leading Automobile company in India " Maruti Suzuki ""Paramount Wheels"

A few years back he participated in the inception of Ant Farm, a Mumbai based innovation sandbox Ant Farm's. Ant Farm's aim is to take a consistent line-up of game changing ideas and build them out into successful global companies. Some successful companies under Ant Farm include Stylista.com, Fork Media, Arrive.com, Scotsy and Click Zoot a performance ad network. Upcoming ventures are in the health, entertainment and lifestyle domains. Rajeev serves on the investment advisory committee and also plays an active role mentoring the subsidiaries under Ant Farm.

His Passion in the Start-up Eco System led him to partner with the Founders of Mumbai Angels and he helped Start the Delhi Chapter as a Co-Founder. In less than a year the Chapter has grown to a member base of 50 Members.

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## **PART II – SUMMARY OF THE BROAD TERMS OF THE resolution plan**

The Resolution Applicant submits and proposes to implement this Resolution Plan as per the structure described hereinafter. The contents of this Resolution Plan have been prepared on the basis of the details of the Corporate Debtor as set out in the Information Memorandum issued by the Resolution Professional, the Request for Resolution Plan Submission dated August 29, 2019, issued by the Resolution Professional, and the information of the Corporate Debtor as made available by the Resolution Professional.

Through Resolution Applicant, this Resolution Plan aims to resolve the stress faced by the Corporate Debtor to enable it to continue its business as a going concern by creating a sustainable and financially healthy capital structure that will enable the Corporate Debtor to turnaround and support its operations going forward on a viable basis.

### ***The key terms and conditions of this Resolution Plan are as follows:***

1. This Resolution Plan contemplates payment of a total resolution amount of **Rs. 9,25,00,000/-** (Rupees Nine Crore Twenty-Five Lakhs only) ("**Total Cash Payment**") as under:
  - (i) An amount of **Rs. 5,00,00,000/-** (Rupees Five Crore only) ("**Upfront Cash Payment**") shall be contributed within **3 (Three) months** of the Trigger Date ("Upfront Cash Infusion Date"). The Upfront Cash amounts as set out under this Paragraph shall be utilised towards the Outstanding CIRP Costs, to provide settlement of the Workmen and Employees Dues, Statutory dues, Repayment of priority debt, other Operational Creditors of the Corporate Debtor and the balance, if any, shall be utilised towards the payments due to the Financial Creditors, as per the terms and conditions as set out under this Resolution Plan.
  - (ii) Upfront Cash Payment of Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) towards release of Personal Guarantees of Mr. Rajeev Arora, Mr. Sanjeev Arora and any other Guarantees that may be available with the Financial creditors for the borrowings of the Corporate Debtor.
  - (iii) The remaining amount of **Rs. 4,00,00,000/-** (Rupees Four Crore only) ("**Balance Consideration**") shall be payable on 31<sup>st</sup> March 2021.

It is hereby clarified that no interest shall be payable on the Balance Consideration. The Balance Consideration shall be utilised towards the

payment and settlement of the remaining amounts due to the Financial Creditors, in proportion to their claims.

2. This Resolution Plan also contemplates Standalone Capital Reduction (*hereinafter defined*) of the Corporate Debtor and subsequent issuance/allotment of Equity Shares of the Corporate Debtor, on or before the Trigger Date (with effect from the NCLT Approval Date), as part of this Resolution Plan.
3. The Corporate Debtor shall issue/ allot such number of Equity Shares, to the Resolution Applicant and its nominees to ensure that the Resolution Applicant together with its nominees shall own and hold 100% (one hundred percent) of the total issued and paid – up equity share capital of the Corporate Debtor.
4. The implementation of this Resolution Plan is subject to the requisite approval/s of the Committee of Creditors of the Corporate Debtor and thereafter by the National Company Law Tribunal, Mumbai Bench.

The industry overview of the Automobile industry is set out in **Schedule – 3** hereto.

The compliance with the mandatory content requirements specified under Section 30 of the Code and / or Regulation 38 of the CIRP Regulations, is set out in **Schedule – 4** hereto.

I will abide by terms and conditions disclosed in the Resolution Plan and as agreed upon in the COC meeting.

The resolution proposal is in compliance with provision of section 29A, 30(2) of the Code and regulation 37 and 38 of Insolvency Resolution Process for Corporate Person Regulation 2016. The content of the Resolution Plan meets with all the requirements of the Code and Regulations.

The Affidavit dated 4th October, 2019 in respect of compliance under the provisions of Section 29A of IBC, 2016 was filed with the Interim Resolution Professional, The copy of the same is attached as **Schedule -5**.

I will make appropriate applications and obtain required sanctions and consents as may be required by Appropriate Authority to comply with the provisions of laws applicable as and when necessary.

The Resolution Plan is not in the contravention of provision of any law for the time being in force and complies with all the statutory provisions as mandated.

***The detailed terms and conditions of this Resolution Plan are set out hereinafter.***

## 1. DEFINITIONS AND INTERPRETATION

- 1.1 Unless otherwise defined in this Resolution Plan, the following capitalized terms shall have the following meanings, unless repugnant to the subject, matter or context thereof:

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
<b>Applicable Laws</b>	shall mean any statute, treaty, law, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law, of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question at any time including but not limited to the Code, CIRP Regulations, Companies Act, Competition Act and FEMA each as amended from time to time.
<b>Approval Date</b> or <b>NCLT Approval Date</b>	shall mean the date of approval of this Resolution Plan by the NCLT under Section 31 (1) of the Code.
<b>Assessment Year</b>	shall have the meaning as ascribed to the term under Section 2(9) of the Income Tax Act, 1961.
<b>Board</b> or <b>Board of Directors</b>	shall mean the board of directors of the Corporate Debtor.
<b>Business Day</b>	shall mean a day which is:  (a) not a public holiday under Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) as applicable at Mumbai; or

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
	<p>(b) a day, other than a Sunday or a public holiday, on which banks are generally open for regular banking at Mumbai; or</p> <p>(c) not any other day when the clearing facility offered by the RBI is unavailable.</p>
<b>CIRP Cost</b>	shall mean the corporate insolvency resolution costs incurred during the CIRP Process of the Corporate Debtor, as per the provisions of the Code, which shall include all going concern costs (whether incurred, accrued, approved, to be accrued and/or outstanding) by the Corporate Debtor or the Resolution Professional for managing the affairs of the Corporate Debtor but limited to the amount disclosed by the Resolution Professional to the Resolution Applicant.
<b>CIRP Process</b>	shall mean the corporate insolvency resolution process of the Corporate Debtor which has been commenced as per the provisions of the Code from the ICD.
<b>CIRP Regulations</b>	shall mean Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 as amended from time to time.
<b>CIRP Period</b>	shall mean the period of one hundred and eighty days from the ICD or such other extended period as per order by the NCLT, as per the provisions of the Code.
<b>Claims and Losses</b>	shall mean any and all actual and direct third – party claims, actions, demands, losses, damages, expenses and/or liability (including reasonable attorneys’ and consultants’ fees and expenses, enforcement costs, court / arbitration costs) incurred or sustained by the Indemnifying Person.
<b>COC Approval Date</b>	shall mean the date of approval of this Resolution Plan by the COC.

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
<b>Code</b> or <b>IBC</b>	shall mean the Insolvency and Bankruptcy Code, 2016 as amended from time to time.
<b>Companies Act</b>	shall mean the Companies Act, 2013 as amended from time to time and all rules, regulations, notifications and circulars issued pursuant thereto from time to time.
<b>Competition Act</b>	shall mean the Competition Act, 2002 as amended from time to time and all rules, regulations, notifications and circulars issued pursuant thereto from time to time.
<b>Committee of Creditors</b> or <b>COC</b>	shall mean a committee of creditors of the Corporate Debtor constituted by the Resolution Professional in accordance with the provisions of the Code.
<b>Constitutional Documents</b>	shall mean the memorandum of association and the articles of association of the Corporate Debtor.
<b>Continuing Guarantees</b> <b>Bank</b>	shall mean all un-devolved bank guarantees / letters of credit availed of by the Corporate Debtor which is are at present un-devolved and outstanding, whether or not disclosed by the Resolution Professional in the Information Memorandum, if applicable.
<b>Corporate Debtor</b> or <b>Company</b>	shall mean <b>Paramount Wheels Private Limited</b> , a company within the meaning of the Companies Act, with Corporate Identification Number (C.I.N.) U50102MH2010PTC210802 and having its registered office at Bhanji Udyog Nagar, Next To Ajit Palace Hotel, Penkar Pada, Opp. Golden Chemical, Mira Road (E) Thane – 401104..
<b>Creditors</b>	shall mean all creditors of the Corporate Debtor including Financial Creditors and Operational Creditors.
<b>Debt</b>	shall mean as to any Person, any indebtedness for or in respect of (without limitation) any moneys borrowed, any amounts admitted (in writing including in

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
	<p>the books) to be owed and due, any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent, any amount raised pursuant to issue of bonds, notes, debentures, loan stock or any similar instrument, any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, any obligation, whether conditional or otherwise, in respect of any instruments or securities (whether debt or equity or otherwise), which incorporates an assured return, and the amount of any crystallized liability in respect of any guarantee, letter of comfort, underwriting, hedging, indemnity or any similar assurance or undertaking.</p>
<b>Definitive Agreements</b>	<p>shall mean the binding agreement(s), to be entered into by the Resolution Applicant with respect to various matters contained in this Resolution Plan, pursuant to approval of the Resolution Plan by the COC, and the NCLT, as may be required by the Resolution Applicant.</p>
<b>Encumbrance</b>	<p>shall mean any right, title or interest existing or created or purported to be created in any manner whatsoever including by way of or in the nature of a sale, agreement to sell, assignment, co-ownership, attachment, pledge, hypothecation, charge, lien, option or right of pre-emption, entitlement to ownership (including usufruct and similar entitlements) and any other interest or right held, or any statutory liability recoverable by sale of property, or any claim, right or lien whatsoever that could be raised or exercisable by a third party and the term “<b>Encumber</b>” shall be construed accordingly.</p>
<b>Equity Share</b>	<p>shall mean equity share(s) of the Corporate Debtor.</p>

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
<b>Existing Financing Documents</b>	shall mean all loan agreement, facility agreements, debenture trust deeds, mortgage deeds, memorandum of entry (along with undertakings), hypothecation deeds/agreements, charge deeds, pledge agreements, deed of assignments, security trustee agreement, inter-creditor agreements, escrow agreement, demand promissory notes and all other agreements, deeds or documents entered into with the Financial Creditors in relation to the existing Financial Debt.
<b>Existing Security Interest</b>	shall mean all mortgages, pledges, hypothecations, assignments, deposit arrangement, Encumbrances, lien (statutory or other), trust arrangement, preference, priority or other security agreement of any kind or nature whatsoever, created by the Corporate Debtor with respect to Financial Debt availed by the Corporate Debtor, including, without limitation, (i) any conditional sale or other title retention agreement, any financing or similar statement or notice filed under any recording or notice statute, and any lease having substantially the same effect as any of the foregoing; and (ii) any designation of loss payees or beneficiaries or any similar arrangement under any insurance contract; and shall include all the rights, title, interest, benefits, claims and demands whatsoever of the Financial Creditors on each of the aforesaid arrangements and security interest.
<b>Existing Shareholders</b>	shall mean the Persons holding the Equity Shares of the Corporate Debtor issued upto the Trigger Date.
<b>FEMA</b>	shall mean the Foreign Exchange Management Act, 1999 as amended from time to time and all rules, regulations, notifications and circulars issued pursuant thereto from time to time.
<b>Financial Creditors</b>	shall mean all creditors (whether disclosed or not) of the Corporate Debtor to whom

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
	any Financial Debt is owed by the Corporate Debtor.
<b>Financial Debt or Outstanding Financial Debt</b>	shall mean all the amounts of the Debt (secured and unsecured) outstanding or payable to the members of the COC or any other Financial Creditor whether or not admitted/disclosed by the Resolution Professional in the Information Memorandum.
<b>Governmental Authority</b>	shall mean any national, supranational, regional or local government, or governmental, semi-governmental, statutory, regulatory, administrative, fiscal, judicial, revenue authority or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any Person whether or not government owned and howsoever constituted or called, that exercises the functions of the central bank).
<b>ICD or Insolvency Commencement Date</b>	shall mean the insolvency commencement date of the Corporate Debtor being May 29, 2019.
<b>INR or Rs.</b>	shall mean Indian Rupees, the lawful currency of India.
<b>Information Memorandum</b>	shall mean the Information Memorandum issued by the Resolution Professional with respect to the Corporate Debtor.
<b>Licenses and Permissions</b>	shall mean any consent, license, approval, permit, registration, ruling, exemption, no – objection certificate or other authorization or permission of whatsoever nature which is required to be obtained from and / or granted by any Governmental Authority required from time to time.
<b>Liquidation Value</b>	shall mean the net estimated realizable value of the assets of the Corporate Debtor, if the Corporate Debtor were to be liquidated on the Insolvency Commencement Date, computed for the relevant Creditors of the Corporate Debtor, in accordance with Regulation 35

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
	of the CIRP Regulations and Section 53 of the Code. Provided wherever the word 'Liquidation Value' is used for any payment to any Creditor or stakeholder under this Resolution Plan, it would mean their respective entitlement from the total Liquidation Value of the Corporate Debtor if such Liquidation Value is to be apportioned amongst all stakeholders of the Corporate Debtor as per Section 53 of the IBC.
<b>NCLT</b>	shall mean the Hon'ble National Company Law Tribunal, Mumbai Bench.
<b>NCLT Approval Order</b>	shall mean the order issued by the NCLT under Section 31 (1) of the Code, for approval of this Resolution Plan.
<b>Operational Debt</b>	shall have the meaning assigned to the term under the provisions of the Code as per Section 5(21). It is clarified that the said definition includes payment of dues under any Applicable Law for the time being in force and payable to Central Government, State Government or any other local authority, which for the sake of brevity is defined as Statutory Dues under this Resolution Plan.
<b>Operational Creditor</b>	shall have the meaning assigned to the term under the provisions of the Code.
<b>Other Creditors</b>	shall mean any Creditor of the Corporate Debtor, other than the Operational Creditors and the Financial Creditors.
<b>Other Operational Creditors</b>	shall mean all Operational Creditors excluding the Statutory Dues Creditors and the Workmen and Employees.
<b>Outstanding CIRP Costs</b>	the unpaid and outstanding CIRP Cost till the NCLT Approval Date.
<b>Person</b>	shall mean an individual, a partnership firm, an association, a corporation, a limited company, a trust, a body corporate, bank or financial institution or any other body, whether incorporated or not.

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
<b>Proceeding</b>	shall mean any action, arbitration, audit, examination, investigation, hearing, litigation, claims or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, and whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Person, Governmental Authority or arbitrator.
<b>Property Lands</b>	shall mean the various properties of the Corporate Debtor set out in <b>Schedule - 1</b> , which form a part of the Undertaking of the Corporate Debtor.
<b>Proposed Transaction</b>	shall mean all or any part of the matters/transactions contemplated in this Resolution Plan.
<b>RBI</b>	shall mean the Reserve Bank of India.
<b>RFRP</b>	shall mean the Request for Resolution Plan dated August 29, 2019, issued by the Resolution Professional with respect to the Corporate Debtor.
<b>Resolution Applicant</b>	shall mean <b>Mr. Rajeev Arora</b> and shall include his affiliates
<b>Resolution Plan</b>	shall mean this Resolution Plan including all Annexures, Schedules, Annexes and Exhibits hereto.
<b>Resolution Professional or RP</b>	shall mean <b>Mr. Rajendra K. Bhuta</b> , Registration Number (IBBI/IPA-001/IP-P00141/2017-18/10305), who has been appointed as Resolution Professional by the Committee of Creditors for conducting the CIRP Process of the Corporate Debtor. For the purposes of various information / data provided to the Resolution Applicant, the reference to the Resolution Professional/RP in this Resolution Plan shall include the reference to the representatives of the Resolution Professional, his process advisor and / or their consultants, as may be applicable.

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
<b>ROC</b>	shall mean the Registrar of Companies.
<b>Statutory Dues</b>	shall mean all amounts due and / or payable to the Governmental Authorities under or pursuant to any Applicable Law including all Taxes, by the Corporate Debtor for any activity / period, whether admitted or not, due or contingent, asserted or unasserted, assessed or unassessed, crystallized or un-crystallized, known or unknown, secured or unsecured, disputed or undisputed, present or future.
<b>Statutory Dues Creditors</b>	shall mean the Operational Creditors claiming the Statutory Dues.
<b>Taxation Laws</b>	shall mean all laws, rules, regulations, notifications, circular and directions with respect to Taxes.
<b>Taxes</b>	shall mean and include any and all foreign, central, state, municipal and local (or equivalent) taxes of any country, assessments and other governmental charges, customs duties, duties, impositions and liabilities, including taxes based upon or measured by gross receipts, income, profits, sales, service, use and occupation, and value added, ad valorem, stamp duty, withholding, excise, customs and property taxes, together with all interest, penalties, fines and additions imposed with respect to such amounts and any obligations under any agreements or arrangements with any other Person with respect to such amounts or any amount imposed by or payable to a Governmental Authority, including any liability for Taxes of a predecessor entity.

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
<b>Title Deeds</b>	shall mean all conveyance deeds, sale deeds, title documents, lease deeds, property deeds/documents, ancillary documents, undertakings, etc. evidencing the title of the relevant person on the property and shall include all other documents submitted by such person to the concerned Financial Creditor or any other person at the time of creation of security over such property.
<b>Total Cash Payment</b>	Total payment proposed by the Resolution Applicant as Resolution Amount under this plan for full and final settlement of the CIRP Costs, Employees/Workmen dues, Statutory Dues, Operational Creditors and Financial Creditors.
<b>Transfer</b>	shall mean (i) any, direct or indirect, transfer or other disposition of any property, or voting interests or any interest therein; (ii) any, direct or indirect, sale, assignment, redemption, conversion or other disposition of any property including without limitation shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity; (iii) any swap, re – organization, re – arrangement, merger, amalgamation or other restructuring arrangement of any kind, or other agreement or any transaction that directly or indirectly transfers, in whole or in part, any economic interest or the beneficial ownership in any shares or securities; and / or (iv) the granting of any Encumbrance in, or extending or attaching to, such property, shares, securities or voting interests or any interest therein, and the word “ <b>Transferred</b> ” shall be construed accordingly.
<b>Transfer Date or Total Cash Payment Date</b>	shall mean the date on which the Total Cash is paid by the Resolution Applicant,

<b>Definitions/Abbreviations</b>	<b>Meaning</b>
	in accordance with the terms of the Resolution Plan and in accordance with the Applicable Law.
<b>Trigger Date</b>	shall mean the date on which the NCLT Approval Order is received by the Resolution Applicant.
<b>Undertaking</b>	shall mean the entire business undertaking of the Corporate Debtor at the Property Lands including all assets and liabilities thereto as may arise from time to time.
<b>Upfront Cash Payment</b>	Payment envisaged to be made by the Resolution Applicant within a period of 90 days from the Trigger Date
<b>Upfront Cash Infusion Date</b>	90 <sup>th</sup> Day from the receipt of the NCLT approval date in favour of the Resolution Applicant
<b>Workmen and Employees Dues</b>	shall mean the Operational Debt outstanding and payable by the Corporate Debtor to the workmen and employees of the Corporate Debtor.

- 1.2 All other capitalised terms defined hereinafter in the Resolution Plan shall have the respective meaning ascribed thereto, wherever such term is used in the Resolution Plan.

## **2. OUR UNDERSTANDING OF THE CORPORATE DEBTOR**

- 2.1 Our understanding of the Corporate Debtor is based on the Information Memorandum and other information provided to us by the Resolution Professional. Based on such information, our broad understanding of the Corporate Debtor is presented in this section.

Moreover, Resolution Applicant (RA) being part of the suspended Board of Directors has witnessed the challenges faced by the corporate debtor (PWPL) in the past. With deeper understanding of the problems in the past the Resolution Applicant has also strategized revival of the company with support from various stakeholders including COC, employees, suppliers and customers. A gist of this strategy is also included in this section to apprise the COC adequately of the RA's plan for turnaround.

- 2.2 Incorporation Details:

The Company "Paramount Wheels Pvt. Ltd. CIN: U50102MH2010PTC210802 is Private Limited Company incorporated on

08.12.2010 under Companies Act, 1956 with the Registrar of Companies (ROC), Mumbai, Maharashtra having its registered office at Bhanji Udyog Nagar, Next to Ajit Palace Hotel, Penkar Pada, Opp. Golden Chemical, Mira Road (East) Thane – 401104.

2.3 Detail about the business and activities of the Corporate Debtor:

The Corporate Debtor is in the business of Maruti Vehicles dealership through Showrooms & Service Centers.

The Corporate Debtor is having dealership of Maruti Suzuki India Limited as well as the Premium showroom of Maruti Suzuki – Nexa Vehicles apart from that Company is having Authorised Service centre & Workshop

2.4 Other Detail about the Corporate Debtor:

Company Name	Paramount Wheels Private Limited
CIN	U50102MH2010PTC210802
Authorised Capital(Rs)	65,000,000
Paid up Capital(Rs)	62,000,000
Date of Incorporation	08/12/2010
Registered Address/Corporate Offices	Bhanji Udyog Nagar, Next To Ajit Palace Hotel, Penkar Pada, Opp. Golden Chemical, Mira Road (E) Thane – 401104
Work Locations	<u>MSIL – Mira Road</u> Velvin Centre, A1/A & B Hatkesh Udyog Nagar, Mira- Bhayander Road, Thane – 401107.
	<u>Nexa – Premium</u> Sanjar Business Park, Near State Bank of India, NH-08, Kashimira, Thane – 401104
	<u>Wada Showroom and Service Centre</u> Saikrupa Building, Survey No. 133, Village Gandhare, Post-Kone, Wada-Bhiwandi Road, Wada, Palghar
	<u>Body Shop – Mira Road</u> National Plastic Industries Ltd., W.E. Highway No. 8, Kashimira, Thane – 401104
	<u>Stock Yard (Vasai)</u> Survey No. 106, Paiki Village, Sasunavghar, Mumbai Ahmedabad National Highway, Vasai.

**2.5** Financial Snapshot:

	<b>Rs Cr</b>		
<b>FY Ending March 31,</b>	<b>2017 (Aud.)</b>	<b>2018 (Aud.)</b>	<b>2019 (Prov)</b>
Revenues	153.36	174.31	149.18
EBIDTA	4.02	6.15	-9.27
EBIDTA %	0.03	0.04	-0.06
Interest	2.35	4.44	5.92
Depreciation	0.79	1.04	1.48
Tax	-0.15	0.61	-
PAT	1.03	0.06	-16.67
Equity Capital	4.20	6.20	6.20
Reserves	0.86	0.92	-15.76
Net Worth	5.06	7.12	-9.56
Net Fixed Assets (Incl CWIP)	10.73	10.99	12.46
Current Assets	37.64	58.66	41.24
Current Liabilities	43.08	62.24	52.80
Long Term Borrowings	3.69	2.35	0.90

2.6 The powers of board of directors of the Corporate Debtor are suspended during the CIRP Period from the Insolvency Commencement Date ('ICD'), as per the provisions of the Code and vest with the Resolution Professional. The list of the suspended board of directors of the Corporate Debtor is as follows:

<b>Name</b>	<b>Profile</b>
Rajeev Jagmohan Arora	Director
Nandkishor Shravan Dhamane	Additional Director

**2.7** Shareholding Pattern:**Equity Shares**

The existing authorized equity share capital of the Corporate Debtor is Rs. 5,00,00,000/- (Rupees Five Crore only) comprising of 50,00,000 (Fifty Lakh only) Equity Shares. The existing issued and paid up equity share capital of the Corporate Debtor is Rs. 4,70,00,000/- (Rupees Four crore Seventy lakh only) comprising of 47,00,000 (Forty Seven Lakh only) Equity Shares.

<b>Sr. No.</b>	<b>Name</b>	<b>Number of equity shares held</b>	<b>Percentage of shareholding in the total issued and paid – up equity share capital of the Corporate Debtor</b>
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1	Sanjeev Arora	39.95,000	85.00
2	Rajeev Arora	7,05,000	15.00
	<b>TOTAL</b>	47,00,000/-	100.00

**Preference Shares**

The existing authorized Preference share capital of the Corporate Debtor is Rs. 1,50,00,000/- (Rupees One Crore Fifty lakh only) comprising of 15,00,000 (Fifteen Lakh only) Preference Shares. The existing issued and paid up Preference share capital of the Corporate Debtor is Rs. 1,50,00,000/- (Rupees One crore Fifty lakh only) comprising of 15,00,000 (Fifteen Lakh only) Preference Shares.

Sr. No.	Name	Number of Preference shares held	Percentage of shareholding in the total issued and paid – up Preference share capital of the Corporate Debtor
1	Rajeev Arora	15,00,000	100

2.8 Details of Key Suppliers:

Name of Supplier	Address
Maruti Suzuki	Vasant Kunj, Delhi
Akzo Nobel India Ltd	Plot No. 62A, 62B, 62P, 43E, Hoskote Industrial Area, Bangalore – 562114
Doshi Enterprises	7/8, Inder Tower, Khed Galli, Gokhale Road, Dadar (W), Mumbai – 400025
Shri Krishna Enterprises	Urmila CHS Ltd, Koldongri, Andheri East, Mumbai – 400069

2.9 Details of Key Customers:

The Corporate Debtor is in the running Business of Maruti Suzuki dealership and selling the cars to large number of customers

2.10 Challenges Faced by PWPL in the past:

- PWPL was awarded Nexa Dealership just before Diwali of year 2016 – the same unfortunately coincided with the Demonetization, which led to prolonged hold by the decision by the customers not to engage in any new expenditure
- Banks having been affected by large scale NPAs/ provisioning and new regulatory regime introduced by RBI from time to time were holding back their loan disbursements. This also impacted the capital availability for running the business. Business of dealership is highly dependent upon the working capital availability and once

there is any reduced availability it directly impacts the turnover as well as profitability.

- PWPL had repaid almost Rs 30 cr in second half of the Financial Year 2018-19, leading to erosion of working capital, which affected the business operations adversely in already tough market
- Delay in proposed financial restructuring in Dec/Jan'2018
- Blocking of bank accounts due to faulty order by the GST/VAT Departments
- Constant change in formats by industry major requiring regular and high capex, Further the capex undertaken did not yield desired results and in fact led to increasing business losses.
- Confusion and slowdown caused by Online Migration of RTO
- Ban in 2017 for Shared Taxi aggregators in Maharashtra such as Ola and Uber
- Pre GST uncertainty and post GST confusion also added to the issues
- Increase in working capital requirements due to GST against C Form
- Another major setback came in the form of the default by S K Wheels (A co-dealer of Maruti) wherein PWPL suffered loss of almost Rs 4.3 cr causing further liquidity issues for the company

2.11 We understand from the erstwhile promoter Mr. Sanjeev Arora various reasons associated with the liquidity challenges and the reasons behind it which is produced below in his own words:

*"I was awarded a dealership of Maruti Suzuki automobile dealership.*

*I established the business and ran it successfully for many years, the company was a good employer and was a means to a lively hood for around 300 people and families most of whom were young boys and girls starting off in life and also people from the financially weaker sections of society, as an entrepreneur the love and respect I received from my team is a recognition for me.*

*As luck would have it, we made a bad business decision under the instructions of our OEM Maruti Suzuki to supply cars to a co dealer who turned bad and failed to make his payments and bounced his cheques. The absence of the large sum of money, derailed the companies cash flows, every attempt to recover the money through legal recourse was attempted however with no success falling prey to the judicial drag faced where despite the assurance of an interim relief of 20 % meant to be paid under section 138, the case still stands for hearing over a year since being filled. In turn my health started to get affected. On account of the emend stress I was put into on this account.*

*I Suffered heart attack and was rushed to Hinduja hospital where in I was admitted in an emergency and had to undergo an angioplasty and 2 stents were placed in my heart. I was critically sick.*

*Further Suffered anxiety attack in January 2018 and was prescribed medicine for acute depression.*

*I continue to use medication for my ailments.*

*I have tried every possible thing within my means this one act of cheating by SK wheels directors have completely derailed my company and my health”*

- 2.12 As a combined result of the liquidity challenges explained above, the Company is referred to Hon'ble NCLT Mumbai & Order under section 8 & 9 of Insolvency & Bankruptcy Code is passed on 29th May, 2019 against the Company under the provisions of IBC, 2016 initiating Corporate Insolvency Resolution Process.

### **3. RESOLUTION PLAN**

- 3.1 (Pursuant to Section 30 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 37, 38 & 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2016), The Resolution Plan is as under:**

#### **IN THE MATTER OF PARAMOUNT WHEELS PRIVATE LIMITED**

- 3.2 The Resolution Applicant hereby presents a Resolution Plan based on the Information Memorandum and documents available in the public domain. The resolution plan complies with the provisions of Section 30 and 31 of the insolvency and Bankruptcy Code, 2016 read with Regulation 37, 38 & 39 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

This Resolution Plan contemplates payment of a total resolution amount of **Rs. 9,25,00,000/-** (Rupees Nine Crore Twenty-Five Lakhs only) ("**Total Cash Payment**") as under:

- i) An amount of **Rs. 5,00,00,000/-** (Rupees Five Crore only) ("**Upfront Cash Payment**") shall be contributed within **3 (Three) months** of the Trigger Date ("Upfront Cash Infusion Date"). The Upfront Cash amounts as set out under this Paragraph shall be utilised towards the Outstanding CIRP Costs, to provide settlement of the Workmen and Employees Dues, Statutory dues, Repayment of priority debt, other Operational Creditors of the Corporate Debtor and the balance, if any, shall be utilised towards the payments due to the Financial Creditors, as per the terms and conditions as set out under this Resolution Plan.
- ii) Upfront Cash Payment of Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) towards release of Personal Guarantees of Mr. Rajeev Arora, Mr. Sanjeev Arora and any other Guarantees that may be available with the Financial creditors for the borrowings of the Corporate Debtor.

- iii) The remaining amount of **Rs. 4,00,00,000/-** (Rupees Four Crore only) ("**Balance Consideration**") shall be payable within 12 months from Trigger Date or on 31<sup>st</sup> March 2021 whichever is later.

**3.3 Distribution of Total Resolution Amount Distributed under Upfront cash payment and Balance Consideration total amounting to Rs. 9,00,00,000/- will be as under:**

#	Liabilities under Resolution Plan	Claims received (Amount in INR)	Claims Admitted (Amount in INR)	Haircut (%)	Amount payable (Amount in INR)
<b>A</b>	<b>CIRP Cost</b>			0	45,00,000
<b>B</b>	<b>Towards Interim Finance and interest for 8 months @ rate of 12% p.a.</b>			0	54,00,000
<b>C</b>	<b>Cost incurred in running the business (please refer the note below)</b>				-
<b>D</b>	<b>Wages and Salaries *</b>			0%	6,00,000
	<b>Total of (A+B+C+D)</b>				<b>1,05,00,000</b>
<b>E</b>	<b>Financial Creditors</b>				
	State Bank of India	16,73,25,743	16,73,25,743	75.55%	4,09,11,167
	Axis Bank	7,33,62,881	7,33,62,881	75.55%	1,79,37,234
	ICICI Bank	4,60,48,728	4,57,51,835	75.55%	1,11,86,330
	Yes Bank	2,43,68,188	2,43,68,188	75.55%	59,58,025
	HDFC Bank	39,80,528	39,80,528	75.55%	9,73,240
	Mahindra Finance	21,84,065	21,84,065	75.55%	5,34,004
	<b>Total of (E)</b>	<b>31,72,70,133</b>	<b>31,69,73,240</b>		<b>7,75,00,000</b>
<b>F</b>	<b>Operational Creditor</b>				
	Statutory Dues	17,40,49,929	17,40,49,929	99.71%	5,00,000
	Other Operational Creditors	2,19,16,635	1,74,48,469	91.40%	15,00,000
	<b>Total of (F)</b>	<b>19,59,66,564</b>	<b>19,14,98,398</b>		<b>20,00,000</b>
	<b>Total A+B+C+D+E+F</b>				<b>9,00,00,000</b>

**3.4 Distribution of Upfront Cash Payment towards Personal Guarantees to Financial Creditors shall be as under:**

<b>Financial Creditors</b>	<b>Claims received (Amount in INR)</b>	<b>Claims Admitted (Amount in INR)</b>	<b>Amount payable (Amount in INR)</b>
State Bank of India	16,73,25,743	16,73,25,743	13,19,715
Axis Bank	7,33,62,881	7,33,62,881	5,78,620
ICICI Bank	4,60,48,728	4,57,51,835	3,60,849
Yes Bank	2,43,68,188	2,43,68,188	1,92,194
HDFC Bank	39,80,528	39,80,528	31,395
Mahindra Finance	21,84,065	21,84,065	17,226
<b>Total</b>	<b>31,72,70,133</b>	<b>31,69,73,240</b>	<b>25,00,000</b>

**3.5 Distribution of Upfront cash payment of Rs.5,00,00,000/- shall be as under: within 3 (Three) months of the Trigger Date ("Upfront Cash Infusion Date").**

<b>#</b>	<b>Cost of the Resolution Plan</b>	<b>Claims received Amount in INR)</b>	<b>Claims Admitted (Amount in INR)</b>	<b>Amount payable (Amount in INR)</b>
<b>A</b>	<b>CIRP Cost</b>			45,00,000
<b>B</b>	<b>Towards Interim Finance and interest for 8 months @ rate of 12% p.a.</b>			54,00,000
<b>C</b>	<b>Cost incurred in running the business (please refer the note below)*</b>			-
<b>D</b>	<b>Wages and Salaries **</b>			6,00,000
	<b>Total of (A+B+C+D)</b>			<b>1,05,00,000</b>
<b>E</b>	<b>Financial Creditors</b>			
	State Bank of India	16,73,25,743	16,73,25,743	1,97,95,726
	Axis Bank	7,33,62,881	7,33,62,881	86,79,307
	ICICI Bank	4,60,48,728	4,57,51,835	54,12,740
	Yes Bank	2,43,68,188	2,43,68,188	28,82,915
	HDFC Bank	39,80,528	39,80,528	4,70,922

	Mahindra Finance	21,84,065	21,84,065	2,58,389
	<b>Total of (F)</b>	<b>31,72,70,133</b>	<b>31,69,73,240</b>	<b>3,75,00,000</b>
<b>F</b>	<b>Operational Creditor</b>			
	i) Statutory Dues	17,40,49,929	17,40,49,929	5,00,000
	ii) Other Operational Creditors	2,19,16,635	1,74,48,469	15,00,000
	<b>Total of (E)</b>	<b>19,59,66,564</b>	<b>19,14,98,398</b>	<b>20,00,000</b>
	<b>Total A+B+C+D+E+F</b>			<b><u>5,00,00,000</u></b>

**3.6 The Distribution of Balance Consideration of Amounting to Rs. 4,00,00,000/- payable within 12 months from Trigger Date or on 31st March 2021 whichever is later.**

<b>Financial Creditors</b>	<b>Amount Claimed Amount (INR)</b>	<b>Amount Accepted Amount (INR)</b>	<b>Amount payable(INR)</b>
State Bank of India	16,73,25,743	6,73,25,743	2,11,15,441
Axis Bank	7,33,62,881	7,33,62,881	92,57,927
ICICI Bank	4,60,48,728	4,57,51,835	57,73,590
Yes Bank	2,43,68,188	2,43,68,188	30,75,110
HDFC Bank	39,80,528	39,80,528	5,02,317
Mahindra Finance	1,84,065	21,84,065	2,75,615
<b>Total</b>	<b>31,72,70,133</b>	<b>31,69,73,240</b>	<b>4,00,00,000</b>

**3.7 Additional Fund Requirement: The Resolution Applicant envisaged additional funds requirement of Rs. 1,00,00,000/- (Rs. One Crore Only) for working capital for smooth functioning of the Corporate Debtor.**

**3.8 TOTAL AMOUNT CONTRIBUTED UNDER RESOLUTION PLAN Rs. 10,25,00,000/-**

3.7.1 The Resolution Applicant proposes to make Upfront Cash payment as follows:

Sr. No.	Use of Upfront Cash Payment	Amount (in Rs.)																
A	<b>Payment of Outstanding CIRP Costs.</b>	CIRP Cost consisting of Professional fees of IRP/RP, Valuers fees, Security guard expenses, Transaction Auditor fees, Public Announcement Expenses, Out of Pocket Expenses and Lawyers' Fees estimated till CIRP period and three months thereafter amounts of Rs. 45,00,000/- Resolution Applicant has considered the payment of the same.																
B	<b>Payment Towards Interim Finance and Interest thereof.</b>	Corporate Debtor has Borrowed Rs.50,00,000/- Popular Vehicles Pvt Ltd carrying interest at the rate of 12%p.a. Resolution Applicant has considered the interest of 8 months and has provided interest amounting to Rs. 4,00,000/- total amount towards Interim Finance and Interest is considered as amounting to Rs. 54,00,000/-																
C	<b>Cost incurred in running the business.*</b>	<p>The Corporate Debtor has continued the business operations, for this purpose the corporate debtor has liquidated the inventories of the cars and has utilised the inventory of stores and spares for the operations of car servicing and body shop department. The amount of depletion in the value of the Inventory is as under:</p> <p>Opening Stock:</p> <table data-bbox="711 1435 1469 1593"> <tr> <td>Arena Showroom -</td> <td>Rs. 263.29 crs.</td> </tr> <tr> <td>Nexa Showroom -</td> <td>Rs. 152.23 crs.</td> </tr> <tr> <td>Work shop -</td> <td>Rs. 181.57 crs.</td> </tr> <tr> <td>Total</td> <td>Rs. 597.09 crs.</td> </tr> </table> <p>Less Closing Stock</p> <table data-bbox="711 1634 1469 1792"> <tr> <td>Arena Showroom -</td> <td>Rs. 30.20 crs.</td> </tr> <tr> <td>Nexa Showroom -</td> <td>Rs. 74.03 crs.</td> </tr> <tr> <td>Work shop -</td> <td>Rs. 117.32 crs.</td> </tr> <tr> <td>Total</td> <td>Rs. 221.55 crs.</td> </tr> </table> <p>Depletion in the value of Inventories</p> <p style="text-align: right;">Rs. 375.54 crs.</p> <p>I) Resolution Applicant has submitted the Resolution Plan based on information in the Information Memorandum disclosing all the fixed assets and current assets of the company as on date of admission to Insolvency. During the course of CIRP to run the business of the Corporate Debtor part of the inventories as on the date of Admission to insolvency are sold and amount so generated is used towards cost of running the business. The</p>	Arena Showroom -	Rs. 263.29 crs.	Nexa Showroom -	Rs. 152.23 crs.	Work shop -	Rs. 181.57 crs.	Total	Rs. 597.09 crs.	Arena Showroom -	Rs. 30.20 crs.	Nexa Showroom -	Rs. 74.03 crs.	Work shop -	Rs. 117.32 crs.	Total	Rs. 221.55 crs.
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Nexa Showroom -	Rs. 74.03 crs.																	
Work shop -	Rs. 117.32 crs.																	
Total	Rs. 221.55 crs.																	

Sr. No.	Use of Upfront Cash Payment	Amount (in Rs.)
		<p>inventories available at the time of taking over the control of the company after the approval of the NCLT will be substantially lower due to depletion in the value of inventory. Therefore, the Resolution Applicant has already funded the cost incurred by the Resolution professional in running the business of the Corporate Debtor as a going concern.</p> <p>II) Over and above depletion in the value of the inventory Interim Finance was obtained by the Corporate Debtor of Rs. 50,00,000/- for running the business. The amount of Interim Finance has been already considered separately and provided for in the Resolution Plan.</p> <p>III) The Resolution Professional has incurred the cost but due to shortfall in the cash flow the amounts are outstanding and are yet to be paid off. On taking over the Corporate Debtor the Resolution Applicant would be making the payments of the liabilities on account of cost incurred during CIRP Period for running the business of the Corporate Debtor as going concern. Due to what is stated above Resolution Applicant has not made any provision for cost incurred by the Resolution Professional in running the business of the Corporate Debtor as going concern as Insolvency Resolution Process Cost.</p> <p>Total of I,II and III is the cost incurred in running the business</p>
D	<b>Wages and Salaries**</b>	<p>IRP/RP has not received any claim from the workers and employees of the Corporate Debtor as provided in Information Memorandum. Resolution Applicant has the information that some part of the wages and salary was outstanding but workers and employees have not filed their claims. On taking over the control of the Corporate Debtor Resolution Applicant would be required to make some payment to such workers and employees to buy peace and smooth functioning of the Corporate Debtor. In view of the same the Resolution Applicant has made the provision of Rs. 6,00,000/-.</p>

Sr. No.	Use of Upfront Cash Payment	Amount (in Rs.)
E	<b>Financial Creditors</b>	<p>Claim of State Bank of India and ICICI Bank are secured Creditors. Whereas Axis Bank, Yes Bank, HDFC Bank and Mahindra Finance are Unsecured Creditors. For the purpose of distribution of funds amongst financial creditors Resolution Applicant has considered distribution of funds on prorata basis of claim amount admitted of Secured as well as unsecured creditors. The payment to Financial Creditors to be made in two tranches 1<sup>st</sup> Tranche payment of Rs. 3,75,00,000/- will be made within 90 days of NCLT order and 2<sup>nd</sup> Tranche of payment of Rs. 4,00,00,000/- within one year of NCLT order or by 31<sup>st</sup> March, 2021 whichever is later.</p> <p>The Dissenting Financial Creditors shall be paid the amount of Distribution in Priority to Assenting Creditors.</p>
F (i)	<b>Statutory Dues as a part of Operational Creditors.</b>	<p>The Corporate Debtor have received claims of various Statutory Dues from different government authorities. The claims are as per the assessment orders whereas the amount demanded are in appeal at various stages and the amount is yet to be crystallised. The Resolution Applicant has made provision of Rs. 5,00,000/- to be apportioned in the ration of crystallised liabilities amongst statutory demands.</p> <p>The Amount to Statutory Dues shall be paid or kept in reserve for payment of Statutory Dues priority to the Financial Creditors.</p>
(ii)	<b>Other Operational Creditors</b>	<p>The Resolution Applicant has considered amount of Rs. 15,00,000/- to be distributed amongst Operational Creditors in the ratio of approved claim amount.</p> <p>The Amount to Operational Creditor shall be paid in priority to the Financial Creditors or kept in reserve for payment to operational creditors prior to the Financial creditors.</p>

**3.8 The Resolution Applicant has considered the claim of all the stakeholders.**

**3.9 The Resolution Applicant is of the opinion that that the amount payable for Statutory Dues and Operational Creditors in the event of Liquidation of the Corporate Debtor under section 53 of the IBC shall not be more than the amount provided under the distribution table.**

<b>Consideration for Extinguishing Personal Guarantees of Mr. Rajeev Arora, Mr. Sanjeev Arora and any other Guarantees that may be available with the Financial creditors for the borrowings of the Corporate Debtor.</b>	The Resolution Applicant has considered the amount of Rs. 25,00,000/-, the amount to be distributed amongst financial creditors in the ratio of claims admitted by the Corporate Debtor. The amount will be paid as a upfront cash
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### **3.10 Payment due to the Operational Creditors being Statutory Dues Creditors**

3.10.1 The Resolution Applicant have been informed by the Resolution Professional that there are various Proceedings, suits, inquiries, investigations and / or litigations that have been initiated by or against the Corporate Debtor under the Income Tax Act, 1961 and / or any other sales tax, Value Added Tax (VAT), entry tax, service tax etc. matters. In the event, that such aforesaid claims and / or any other claims under various Proceedings, suits, inquiries, investigations and / or litigations that have been initiated by or against the Corporate Debtor under Applicable Laws are admitted by the Resolution Professional, the same shall be treated as Operational Debt and / or Statutory Dues (as may be applicable) which shall stand fully and finally discharged / settled as per the terms and conditions of this Resolution Plan and all such ongoing Proceedings shall stand withdrawn automatically. However, if such aforesaid claims and / or any other claims under various Proceedings, suits, inquiries, investigations and / or litigations that have been initiated by or against the Corporate Debtor under Applicable Laws are not admitted by the Resolution Professional and on the basis of the final outcome of such Proceedings, in case any final non – appealable order, decree and / or award (“**Final Order(s)**”) is passed by a court and / or tribunal, the Resolution Applicant shall from time to time, make payment towards such Creditors as per the provisions above ,towards full and final settlement, discharge and / or extinguishment of all such claims on proportionate basis and in the event, the Upfront Cash Payment is exhausted, then all such claims, whether asserted or unasserted, assessed or unassessed, crystallized or un-crystallized, known or unknown, secured or unsecured, disputed or undisputed, present or future shall stand fully and finally settled, extinguished and / or discharged for ‘Nil’ payment by the Resolution Applicant. Notwithstanding anything contained under this Resolution Plan, it is hereby clarified by the Resolution Applicant that except as expressly stipulated under this Paragraph of the Resolution Plan, with effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, any and all contingent claims or demands made by or liabilities or obligations owed or payable to any actual or potential Creditors of the Corporate Debtor, whether asserted or unasserted, assessed or unassessed, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, shall be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no

point of time be, directly or indirectly, held responsible or liable in relation thereto.

### **3.11 Payment to the Existing Shareholders and other stakeholders of the Corporate Debtor**

The Resolution Applicant proposes to make Nil payment towards full and final settlement/discharge of any liability of the Corporate Debtor towards the Existing Shareholders and other stakeholders of the Corporate Debtor. The entire shareholding of the Existing Shareholders shall be cancelled and extinguished as per the terms and conditions of this Resolution Plan.

3.11.1 Subject to Paragraph 3.8.4 below, The Resolution Applicant proposes to pay the aforesaid amounts to the Financial Creditors in full and final settlement/discharge of the entire Financial Debt, which shall be paid in the manner set out in Paragraph 4 (*Sources of Funds and Transactions*) of this Resolution Plan.

3.11.2 Subject to Paragraph 3.8.4 below, the payment to the Financial Creditors shall be in the manner as may be decided by the COC.

3.11.3 All the Financial Creditors who do not vote in favour of the Resolution Plan shall be paid The amount as per the provisions of IBC and Regulations made thereunder applicable as on the date of distribution.

## **4. SOURCES OF FUNDS AND TRANSACTIONS**

Regulation 37 of the CIRP Regulations provides a resolution plan may provide for various measures, as may be necessary, for insolvency resolution of the corporate debtor for maximization of value of its assets. Accordingly, the Resolution Applicant proposes the measures set out herein under:

### **4.1. Summary of the Sources of Funds**

4.1.1 The broad summary of the sources of funds is set out in below table:

<b>Sources of Funds</b>	<p>The Resolution Applicant proposes to provide the funds towards equity capital and loan to the Corporate Debtor. The funds required for inducting capital and loan shall be raised by the Resolution Applicant in his personal capacity from Mr. Lalit Gulatii residing at 1, Gulmohar Avenue, Western Green, Rajokri, New Delhi – 110038. of Rs. 5.25 crore. The Resolution Applicant is submitting letter of comfort for extending loan to Mr. Rajeev Arora from Mr. Lalit Gulati dated 16th November, 2019. The letter of Mr. Gulati is further supported by a certificate from S. K Bharti and Co Chartered Accountant giving Networth of Rs. 192 crs. Of Mr. Lalit Gulati. The amount of loan from Mr. Gulati is raised by pledging 100% equity of Paramount Wheels Pvt Ltd.</p> <p>As a loan from Mr. Lalit Gulati is raised by pledging 100% shares of Paramount wheels Pvt Ltd is apprehend that Mr. Gulati will be considered as connected person as per the provisions of section 29A of the IBC, 2016. Accordingly, an Affidavit from Mr. Lalit Gulati that he is not disqualified under the provisions of section 29A is attached as Schedule 6.</p> <p>For the balance consideration of Rs. 4 cr payable to the financial creditors the Resolution Applicant proposes to raise the same from Red Ribbon Asset Management. The Investors have agreed to provide this amount to the RA post NCLT approval and on or before 31st March 2021. This amount would be utilised for payment of balance consideration to the Financial Creditors as proposed under this Resolution Plan,</p> <p>Working Capital Arrangement: The Resolution Applicant has considered requirement of Rs. 1,00,00,000/- (Rs. One Crore only) as working capital requirement for smooth functioning of the Corporate Debtor. The Resolution Applicant will raise the amount of working capital by leveraging the personal assets including the residential house in Gurgaon for this purpose. The Resolution Applicant may further add that he is having long-standing relationship with its supplier M/s Maruti Suzuki India Ltd. The Resolution Applicant proposes part of working capital requirements through support from Maruti and other dealership network under 'Cash and Carry' and Trade Advances' Model.</p>
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4.1.2 The details of sources of funds and underlying transactions are set out hereinafter.

#### **4.2 Treatment of the Existing Shareholders and Issuance of Equity Shares to the Resolution Applicant**

4.2.1 The 39,95,000 equity shares of Rs. 10 each held by Mr. Sanjeev Arora shall be cancelled and the share of Sanjeev Arora to be issued to or his associates and affiliates as nominated by him.

**Capital Structure:**

4.2.2 Post the implementation of the terms and conditions of the Resolution Plan, the shareholding of the Corporate Debtor shall be 47,00,000 equity shares of Rs. 10 each, 15,00,000 preference shares of Rs. 10 each. The Preference and Equity shares shall be held by Mr. Rajeev Arora Resolution Applicant and his affiliates and associates nominated by him

<b>Name of the Shareholder</b>	<b>Percentage holding of the Equity Share Capital and Preference Share Capital of the Corporate Debtor</b>
Resolution Applicant and its affiliates	100%

4.2.3 Upon the completion of the Standalone Capital Reduction as above, an equivalent amount shall be transferred to the capital reserve account of the Corporate Debtor.

4.2.4 The Corporate Debtor shall not be required to make any separate application before the Hon'ble NCLT for the Standalone Capital Reduction and for other matters set out herein, under the provisions of the Companies Act and that the approval of this Resolution Plan by the Hon'ble NCLT shall be treated as if the necessary approvals required to have been obtained under the Companies Act, including consent of shareholders or creditors of the Corporate Debtor and applications to any other appropriate authority, as required under the Companies Act, together with the process laid down under the Companies Act, have been obtained and duly complied with.

4.2.5 No further approval of the Hon'ble NCLT will be required to give effect to the Standalone Capital Reduction under the Companies Act and there shall be no requirement to add "and reduced" in the name of the Corporate Debtor as the approval of the Resolution Plan by the Hon'ble NCLT shall be deemed to be an order under Section 66 of the Companies Act along with other applicable provisions of the Companies Act, sanctioning and approving the Standalone Capital Reduction and all matters hereto.

4.2.6 The Standalone Capital Reduction shall be approved and implemented pursuant to the provisions of the IBC, specifically, Regulation 37 of the CIRP Regulations read with Section 31 of the IBC. The compliance with the provisions of the Resolution Plan and the Standalone Capital Reduction shall be deemed to be in accordance with and constitute compliance with any and all provisions of Applicable Law that would have otherwise applied to a similar reduction of capital under the Companies

Act, the Income Tax Act 1961 and/ or under rules/ circulars/ regulations issued thereunder.

#### **4.3 Treatment of the Financial Debt and Extinguishment of the Financial Debt**

- 4.3.1 All Financial Creditors to provide No Dues Certificate and release of Security immediately upon their full payment as proposed in this Resolution Plan
- 4.3.2 The Corporate Debtor shall file necessary ROC forms recording the aforesaid full and final settlement and satisfaction of charges. Immediately upon receipt of the full payment to the Financial Creditors by the Resolution Applicant, as contemplated under this Resolution Plan, the Financial Creditors shall file necessary forms / filings / reports in CERSAI, CIBIL and other credit information companies recording full and final settlement of its respective Financial Debt as aforesaid and the existence of no other dues from the Corporate Debtor.

##### **Release of Personal Guarantees**

- 4.3.3 The amount of Rs. 25 lakhs to be paid towards release of personal guarantees of Mr. Rajeev Arora, Mr. Sanjeev Arora and any other Guarantees that may be available with the Financial Creditors for the borrowings of the Corporate Debtor.
- 4.3.4 It is further clarified specifically, that the Personal Guarantees provided by the guarantors for the resolved Debt as accepted by NCLT, shall be released by all lenders on payment of Total Resolution Amount of Rs 9.25 crores as proposed in this plan And personal guarantors shall be released from all legal obligations arising from any documents executed in relation to loans of Paramount Wheels Private Limited. Further all securities and security instruments or demand notes / cheques will be returned and no judicial and/or criminal action would be initiated by any member of COC towards the resolved debt amounts or any previous debt instruments on the promoters / guarantors

#### **4.4 EMD**

- 4.4.1 The Resolution Applicant has deposited an additional refundable Earnest Money Deposit ("**EMD**") of Rs. 10,00,000/- (Rupees Ten Lakh only) at the time of submission of this Resolution Plan.
- 4.4.2 It is hereby clarified that the amounts of EMD deposited by the Resolution Applicant shall be refunded to the Resolution Applicant immediately upon payment of the Upfront Cash Payment by the Resolution Applicant. Further, EMD shall be immediately refunded in the event, this Resolution Plan is not approved by the COC or the NCLT.

#### **4.5 Performance Guarantee**

4.5.1 The Resolution Applicant is committing to provide Performance Guarantee of INR 1,00,00,000/- (Indian Rupees one crore only) within 7 days of successful approval of this resolution plan by the COC in line with the terms indicated in the RFRP.

#### **4.6 Manner of Payments**

4.6.1 The Resolution Applicant shall make payment of various components to the Financial Creditors in such mode/manner and in such bank account as may be required by the COC. The Upfront Cash Payment shall be utilised in the order of priority set out in Paragraph 3 of this Resolution Plan.

### **5 MANAGEMENT AND CONTROL OF AFFAIRS OF THE CORPORATE DEBTOR**

#### **5.1 From the date of COC Approval Date upto the NCLT Approval Date**

5.1.1 From the submission of this Resolution Plan up to the NCLT Approval Date, the Resolution Professional shall continue to manage the business and operation of the Corporate Debtor as per the requirement of Section 23(1)(proviso) of the IBC.

#### **5.2 From NCLT Approval Date upto the Upfront Cash Infusion Date**

5.2.1 Immediately on the NCLT Approval Date, the Resolution Professional shall begin the process of delivering and handing over to the Monitoring Agency (*defined below*), the physical custody of all the dossiers, master files and all records and documents in any and all forms - physical or electronic with respect to the business of the Corporate Debtor and within a period of 5 (Five) Business Days from the Trigger Date, the Resolution Professional shall cause the actual delivery of the aforesaid to the Monitoring Committee.

5.2.2 During the period from the NCLT Approval Date and up to the Upfront Cash Infusion Date, the Corporate Debtor shall be managed by the Monitoring Agency, as set out in this Resolution Plan, which shall be immediately appointed as per the terms hereof upon sanction of the Resolution Plan by the NCLT.

#### **5.3 From the Upfront Cash Infusion Date**

5.3.1 From the Upfront Cash Infusion Date, upon implementation of the Resolution Plan, the total shareholding of the Corporate Debtor shall be held by the Resolution Applicant as follows:

<b>Shareholder</b>	<b>Percentage of the total paid up Equity Share capital of the Corporate Debtor</b>
Resolution Applicant	100%

5.3.2 From the Upfront Cash Infusion Date, the Corporate Debtor shall be managed by the Reconstituted Board.

5.3.3 Resolution Applicant shall reconstitute the Board of Directors of the Corporate Debtor (“**Reconstituted Board**”). The Reconstituted Board shall not be liable for any non-compliance/breaches/violations of whatsoever nature that has occurred prior to their being on Board of the Corporate Debtor.

5.3.4 From the Upfront Cash Infusion Date, the day – to – day operation and management of the Corporate Debtor shall be responsibility of the Resolution Applicant.

#### **5.4 Existing workmen and employees of the Corporate Debtor**

The Corporate Debtor shall continue to retain and employ the existing workmen and employees as per Applicable Laws. However, the Corporate Debtor shall have the right to renegotiate the terms and conditions of the employment with mid-level and senior-level employees of the Corporate Debtor and shall also have the right to stipulate the new terms on case to case basis, in accordance with law. For the avoidance of any doubt, it is hereby clarified that the Corporate Debtor shall not be required to make payment of any severance package(s), indemnity(ies) and / or damages / compensation for the termination and / or renegotiation of the terms and conditions of employment with mid-level and senior-level employees of the Corporate Debtor.

#### **5.5 Amendment of the Constitutional Documents of the Corporate Debtor**

5.5.1 For the purpose of effective implementation of the Resolution Plan and management of the Corporate Debtor, the authorised share capital of the Corporate Debtor shall stand increased to such extent as may be required to enable restructuring of the paid-up share capital of the Corporate Debtor, if applicable. The said increase shall take effect by virtue of the sanction of this Resolution Plan.

term, IMPLEMENTATION AND SUPERVISION of the resolution plan

#### **5.6 Supervision of the Resolution Plan from the NCLT Approval Date till the Upfront Cash Infusion Date:**

5.6.1 On and from the NCLT Approval Date, a monitoring agency (“**Monitoring Agency**”) shall be appointed for the Corporate Debtor. The Monitoring Agency shall comprise of Resolution Professional, 2 (two) representatives of the COC and 2 (two) representatives of the Resolution Applicant. The

Monitoring Agency shall supervise the implementation of the Resolution Plan and shall be required and entitled to do all such acts, deeds, matter and things as may be necessary, desirable or expedient in order to implement and give effect to this Resolution Plan and shall act under the supervision of the NCLT. The day to day functioning of the Corporate Debtor shall be monitored, controlled and managed by the Monitoring Agency. The Monitoring Agency shall have the same functions, powers and protections as ascribed to the Resolution Professional under the Insolvency Code. All decisions of the Monitoring Agency shall be taken by the unanimous consent of the members of the Monitoring Agency.

5.6.2 The fees of the Monitoring Agency and the costs incurred by the Monitoring Agency for continuing the business of the Corporate Debtor shall be met from operations of the Corporate Debtor

5.6.3 On and from the Upfront Cash Infusion Date, the Reconstituted Board of the Corporate Debtor shall take over the control and management of the Corporate Debtor and the existing board of Directors shall be deemed to have resigned as directors from the Board of the Corporate Debtor from the NCLT Approval Date. Any decisions taken by the existing Board of the Corporate Debtors which are required to be or can be implemented after the NCLT Approval Date, shall be null and void and shall not be binding on the Resolution Applicant and/or the Corporate Debtor. The existing Board and the members of the Monitoring Committee shall be subject to and bound by the terms of this Resolution Plan. The members of the Monitoring Committee shall function under the overall supervision of the NCLT. Further, the members of the Monitoring Committee shall resign with effect from the Upfront Cash Infusion Date. All filings required to be made to the Registrar of Companies (ROC) as per the provisions of the Companies Act for change in composition of board of directors shall be complied with by the existing Board of Directors, and/ or the Reconstituted Board, as the case may be.

5.6.4 The existing Board of Directors of the Corporate Debtor shall continue to be suspended together with their powers, which shall be carried out by the Monitoring Agency from the NCLT Approval Date till the Transfer Date. However, if this is not permitted for any reason, then the board of directors of the Corporate Debtor shall be re-constituted on the Trigger Date by the Monitoring Agency (who shall nominate the members as directors of the Corporate Debtor) and shall remain in force till the Transfer Date. On and from the Transfer Date, the Reconstituted Board of the Corporate Debtor shall take over the control and management of the Corporate Debtor and the existing board of Directors shall be deemed to have resigned as directors from the Board of the Corporate Debtor. From the NCLT Approval Date till the Transfer Date, any and all decisions which could otherwise have been taken by the existing Board of the Corporate Debtor shall be taken by the Monitoring Agency and that the existing Board of the Corporate Debtor's shall have no authority whatsoever to conduct the business of the Corporate Debtor. Any decisions taken by the existing Board of the Corporate Debtor shall be null and void and shall not be binding on the Monitoring Agency and/or the Corporate Debtor. The

Monitoring Agency shall be responsible for carrying out their obligations with respect to the management and control of the Corporate Debtor. The existing Board and the members of the Monitoring Agency shall be subject to and bound by the terms of this Resolution Plan. The members of the Monitoring Agency shall function under the overall supervision of the NCLT. Further, the members of the Monitoring Agency shall resign with effect from the Transfer Date.

- 5.6.5 On and from the Trigger Date till the Upfront Cash Infusion Date, the Monitoring Agency shall Carry on the business with reasonable diligence and business prudence and in the same manner and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letter of comfort or commitment, either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except (i) when the same is expressly provided in this Resolution Plan; or (ii) when the same is in the ordinary course of business as carried on, as on the date of approval of this Resolution Plan.

## **5.7 Term of the Resolution Plan and Implementation Schedule**

- 5.7.1 In terms of Section 31(1) of the IBC, this Resolution Plan shall become binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders including the Tax authorities, stamp duty authorities, any other Governmental Authority involved in this Resolution Plan on the date on which this Resolution Plan is approved by the NCLT.
- 5.7.2 The Resolution Plan shall not be subject to any expiry and shall remain valid and binding on the Corporate Debtor, the Resolution Applicant and all other stakeholders of the Corporate Debtor on and from the NCLT Approval Date.
- 5.7.3 The list of activities to be undertaken as part of the resolution process and the timelines for implementation of this Resolution Plan upon becoming effective is as set out in **Schedule – 2**.

## **5.8 Compliances for appointment of the Reconstituted Board and for Standalone Capital Reduction set out in this Resolution Plan**

The approval of this Resolution Plan by the Hon'ble NCLT shall be treated as if the necessary approvals required to be obtained for the appointment of the Reconstituted Board and for Standalone Capital Reduction of this Resolution Plan, under the Companies Act and / or under any other Applicable Laws, including consent of Existing Equity Shareholders and the Creditors of the Corporate Debtor, as required under the Companies Act and / or under any other Applicable Laws, together with the process

laid down under the Companies Act and / or any other Applicable Laws, have been obtained and duly complied with.

## **6 OTHER RELEVANT PROVISIONS**

### **6.1 Statement in relation to dealing with all stakeholders of the Corporate Debtor**

We, the Resolution Applicant, believe that this Resolution Plan for the Corporate Debtor has dealt with the interest of all stakeholders of the Corporate Debtor including financial creditors and operational creditors, as per the terms set out in this Resolution Plan. The treatment of each stakeholder has been set out in Paragraphs 3.2 to 3.6 hereinabove.

### **6.2 Indemnity**

The Resolution Applicant shall indemnify the COC, the Resolution Professional and the advisors to the COC and the Resolution Professional for all acts done during the CIRP Period upto the NCLT Approval Date, against all third-party claims, in accordance with the requirements of Section 233 of the Code.

### **6.3 Assumptions and Qualifications**

6.3.1 This Resolution Plan has been prepared on the basis of the Information Memorandum, the information disclosed to the Resolution Applicant and the following assumptions:

- (a) All the claims for the entire Financial Debt of the Corporate Debtor have been duly made and submitted by all the Financial Creditors of the Corporate Debtor to the Resolution Professional and all of them are fully covered hereto are true, correct, complete, accurate and not misleading in any respect, and there are no other claims or any other Financial Debt of the Corporate Debtor apart from what is stated hereto.
- (b) All the claims of the Operational Creditors duly claimed and admitted by the Resolution Professional and approved by the COC are true, correct, complete, accurate and not misleading in any respect, and there are no other claims or any other Operational Debt of the Corporate Debtor apart from what is stated hereto.
- (c) There are no Persons including any Operational Creditors and claims who have the benefit of any 'security interest' (as defined under Section 3(31) of the Code) against the Corporate Debtor or over any of its assets or rights, other than the secured Financial Creditors and their claims thereto.
- (d) All Licenses and Permissions, pre-qualifications and related licenses of the Corporate Debtor, including in relation to all its properties,

utilities, facilities, establishments, undertakings, operations, are fully valid, effective and enforceable. All Licenses and Permissions of the Corporate Debtor that have lapsed, expired, been cancelled, terminated or repossessed have been reinstated and all non-compliances have been compounded, rectified, waived or dispensed with.

6.3.2 Any change in the said information or data (including any increase in submitted claims or admitted claims) provided in the Information Memorandum and / or the VDR Database; or any incorrectness of any of the aforesaid assumptions, shall have no adverse impact and / or shall result in any increase of any various settlements contemplated under this Resolution Plan for the discharge of all liabilities of the Corporate Debtor which are in full and final settlement of all Debt, liabilities and obligations of the Corporate Debtor.

#### **6.4 Survival and Severability**

6.4.1 Till the full implementation of this Resolution Plan, the Financial Creditors shall not do or permit to be done or be party or privy to any act, deed, matter or thing which may, in any way, prejudicially affect the rights or interest of the Resolution Applicant or the Corporate Debtor as contemplated under this Resolution Plan.

#### **6.5 Further Assurances of the Financial Creditors**

Subject to full compliance of this Resolution Plan by the Resolution Applicant, and for the Financial Creditors to comply with this Resolution Plan, the Financial Creditors shall, at any time and from time to time upon the request of the Resolution Applicant promptly and duly execute and deliver all such further instruments and documents, and do or procure to be done all such acts or things, as the Resolution Applicant may reasonably deem necessary in obtaining the full benefits of this Resolution Plan and of the rights herein granted and do or procure to be done each and every act or thing which the Resolution Applicant may from time to time reasonably require to be done for the purpose of enforcing the rights of the Resolution Applicant under this Resolution Plan.

#### **6.6 Remedial Actions**

6.6.1 In the event, any of the Financial Creditors or any other stakeholder or Person does not cooperate with the Resolution Applicant in implementation of this Resolution Plan, execution of the necessary documents, handing over the management, affairs and assets, books and records of the Corporate Debtor and/or with respect to any other matter required in connection with or with respect to implementation of this Resolution Plan, the Resolution Applicant shall be entitled to make necessary applications to the Hon'ble NCLT for necessary directions/order in this regard or take such other remedial actions as the Resolution Applicant may deem fit.

6.6.2 In the event, that any difficulty or ambiguity arises in interpretation of any provision of this Resolution Plan or otherwise, the Resolution Applicant shall be entitled to make necessary applications to the Hon'ble NCLT to remove such difficulty or ambiguity without the requirement of any further approval of the COC or any Financial Creditors.

## **6.7 Declarations regarding mandatory requirements under the Code and the CIRP Regulations**

6.7.1 As per the requirement of Section 30(2) (e) of the IBC, the Resolution Applicant hereby declares that this Resolution Plan is not in contravention of the provisions of any Applicable Laws including the Competition Act.

6.7.2 As per the requirements of Regulation 38(1B) of the CIRP Regulations, the Resolution Applicant hereby declares that the Resolution Applicant and / or any of the Related Parties of the Resolution Applicant has not failed to implement nor contributed to the failure of implementation of any other resolution plans approved by the NCLT at any time in the past.

6.7.3 As per the requirements of Regulation 38(3) of the CIRP Regulations, the Resolution Applicant hereby state as follows:

(a) As per the requirements of Regulation 38(3) of the CIRP Regulations, the Resolution Applicant hereby declares that the Resolution Applicant, believes that this Resolution Plan for the Corporate Debtor has addressed the cause of default by the Corporate Debtor as per the terms set out in this Resolution Plan. The Resolution Applicant being part of the suspended Board of Directors of the Corporate Debtors is well aware of the challenges faced by the Corporate Debtor in the past and has devised a strategy to turn around the operations of the corporate debtor in time bound manner post the approval of the Resolution Plan by the COC in his favour. Gist of the strategy planned is as under:

- In spite of all the challenges in the past, Maruti Suzuki has supported the corporate debtor due to its strong and established past credentials. This would be a major factor in company's revival.
- Corporate Debtor has operations spread across various locations for its dealership showrooms, service centre, body shops etc. and even though all these properties are leasehold, there is strong support from the landlords and they have expressed their continuous support going forward also. Each of them wishes that the company comes out of present issues and returns to its past glory.
- Even in the challenging business environment for Automobile Industry as a whole, there has been continuous support from the customers who continue to trust Brand 'Paramount'
- Employees of Paramount have always supported through thick and thin and I am sure their continued passion to work for

Paramount will help implement the turnaround plan in time bound manner

- I am sure all the vendors and suppliers with whom we have enjoyed mutually beneficial relationship over so many years would support whole heartedly in the revival

- (b) As per the requirements of Regulation 38(3) of the CIRP Regulations, the Resolution Applicant hereby declares that the Resolution Applicant, believes that this Resolution Plan is feasible and viable, as per the terms set out in this Resolution Plan as demonstrated in the financial projections.
- (c) It has provisions for its effective implementation - Paragraph 6 of the Resolution Plan provides for effective implementation.
- (d) It has provisions for approvals required and the timeline for the same - Paragraph 8 of the Resolution Plan provides for approvals required. **Schedule - 2** of the Resolution Plan provides for timelines required.
- (e) The Resolution Applicant has the capability to implement the Resolution Plan as demonstrated from Paragraph 6 of this Resolution Plan.

## 6.8 Resolution Plan not Subject to Revisions

- 6.8.1 Notwithstanding anything contained under this Resolution Plan, this Resolution Plan is being submitted by the Resolution Applicant as the full and final offer / proposal of the Resolution Applicant and the Resolution Applicant may not be amenable to any further increase, revision and / or change to the terms and conditions of this Resolution Plan, in any manner whatsoever unless the Resolution Applicant jointly decide otherwise and communicate the same to the Resolution Professional and the Committee of Creditors in writing.
- 6.8.2 The Resolution Applicant understands and agrees that the COC may call it for negotiation of the terms and conditions of this Resolution Plan.
- 6.8.3 The Resolution Applicant reserves the right to accept or not accept any term or condition as may be sought by the COC. Further, the Resolution Applicant reserves the right to make necessary changes / amendments in this Resolution Plan upon such negotiation and discussion with the COC.

## 6.9 Acknowledgement by the Resolution Applicant

- 7.10.1. This Resolution Plan *inter alia*, provides that (a) all obligations, claims and liabilities of the Corporate Debtor (whether crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, assessed or unassessed, whether or not set out in the financial statements of the Corporate Debtor); (b) any and all Proceedings initiated before any forum by or on behalf of any Person to enforce any rights or claims against the Corporate Debtor or enforce or invoke any security interest over the assets of the Corporate Debtor; and (c) all claims of such Persons against the Corporate Debtor, in each case, relating to the period prior to the NCLT

Approval Date, shall immediately, irrevocably and unconditionally stand extinguished and waived by virtue of the order of the NCLT approving the Resolution Plan and neither the Corporate Debtor nor the Resolution Applicant shall at any point of time be, directly or indirectly, held responsible or liable in relation thereto.

## **7 EFFECT OF THE RESOLUTION PLAN**

- 7.1 In terms of Section 31(1) of the IBC, this Resolution Plan shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders including the Tax authorities, stamp duty authorities, any other Governmental Authorities on and from the NCLT Approval Date.
- 7.2 Upon approval of this Resolution Plan by the NCLT, the following settlements shall be deemed to have been approved by the NCLT and be binding on all stakeholders of the Corporate Debtor including its employees, members, creditors, guarantors, Tax authorities, stamp duty authorities and any other Governmental Authorities:
- (a) The Personal Guarantee provided by the guarantors for the resolved Debt as accepted by NCLT shall be released by all lenders. Further all securities and security instruments or demand notes / cheques will be returned and no judicial / criminal action would be initiated by any member of coc towards the resolved debt amounts or any previous debt instruments on the promoters / guarantors
  - (b) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, any and all claims or demands made by or liabilities or obligations owed or payable to (including any demand for any losses or damages, principal, interest, compound interest, penal interest, liquidated damages, notional or crystallised mark to market losses on derivatives and other charges already accrued / accruing or in connection with any third party claims) any actual or potential Creditors of the Corporate Debtor, any actual or potential Statutory Dues of the Corporate Debtor or in connection with any existing Debt of the Corporate Debtor (including any transactions in derivatives), any future claim or demand arising out of any exercise of subrogation rights in future by any person with respect to any payment made by such person for existing Debt of the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, assessed or unassessed, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the profit and loss statement or in the list of Creditors, the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor, in relation to any period prior to the NCLT Approval Date shall be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- (c) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, any security, indemnity, Encumbrance, letter of credit, letter of undertaking, letter of comfort, letter of awareness, hypothecation or any other form of collateral (whether over immovable assets, movable assets, intangible assets, fixed deposits or cash or any other rights or privileges and) that was created/granted/arranged in connection with any Debt, Statutory Dues or any other debt or obligation of the Corporate Debtor (including any security, indemnity, Encumbrance, letter of credit, letter of undertaking, letter of comfort, letter of awareness, hypothecation or any other form of collateral provided by the Corporate Debtor in relation to its subsidiaries, joint ventures or associates) at any time prior to the NCLT Approval Date (other than the Third – Party Securities), shall automatically fall away and all liabilities and obligations in relation to such security, indemnity, letter of credit, letter of undertaking, letter of comfort, letter of awareness, Encumbrance, hypothecation or any other form of collateral in relation to any period up to the NCLT Approval Date shall stand permanently extinguished on the approval of this Resolution Plan by the NCLT. With effect from the NCLT Approval Date and simultaneously / immediately upon the payment of the Upfront Cash Payment by the Resolution Applicant, each of the Financial Creditors shall appropriately release the Security and the satisfaction of charge shall be filed in ROC by filing of suitable forms as may be required under the Law.
- (d) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, all Tax liabilities, claims, demands, made by, or liabilities or obligations owed or payable to or assessed or unassessed by the Central government, the State governments, any regulatory or local authority or body or any agency or instrumentality thereof or any other Governmental Authority, in relation to any dues, direct or indirect Taxes, duties (including stamp duties, value added tax, customs, octroi, excise duty, service tax, goods and service tax, provident fund contributions or payments, employee state insurance and gratuity contributions, real estate taxes or other duty or taxes of any kind), penalties, fees, interest, fines, levies, cesses, assessments or additions or any other charges or payments whatsoever (including without limitation, the direct or indirect Tax liabilities and any liabilities in relation to any consent, privilege, entitlement, exemption, benefit, Licenses and Permissions granted to the Corporate Debtor or in relation to the Corporate Debtor, whether or not such consent, privilege, entitlement, exemption, benefit, Licenses and Permissions is subsisting, lapsed or expired), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the financial statements of the Corporate Debtor or the list of Operational Creditors, in relation to any period prior to the NCLT Approval Date shall be deemed to be

permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto. With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, all the losses already lapsed / not lapsed as on the NCLT Approval Date shall be allowed to be carried forward for a period of eight (8) Assessment Years subsequent to Assessment Year in which resolution plan is approved and any applicability of the provisions of the Income Tax Act, 1961 including without limitation any Minimum Alternate Tax (MAT) as per Section 115JB of the Income Tax Act, 1961 arising as a result of giving effect of this Resolution Plan and / or any write – back of liabilities, shall be deemed to have been exempted by the Central Board of Direct Taxes (CBDT) and / or all Governmental Authorities.

- (e) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, any and all claims, demands, penalties, charges, fees, etc. that may be made or arising against the Corporate Debtor in relation to any payments required to be made by the Corporate Debtor in relation to any breach, contravention or non-compliance of any Applicable Law including but not limited to the property laws, labour laws i.e. the Employee State Insurance Act, the Provident Fund Act, the Industrial Disputes Act, the Payment of Bonus Act, the Contract Labour Act, the Minimum Wages Act, the Equal Remuneration Act, the Factories Act, the Gratuity Act, etc. (whether or not such claim was notified to or claimed against the Corporate Debtor at such time, and whether or not such Government Authority was aware of such claim at such time), in relation to the period prior to the NCLT Approval Date, shall be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.
- (f) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, all liabilities, obligations including payment obligations of the Corporate Debtor arising out of any Proceedings, inquiries, investigations, orders, show causes, notices, suits, litigation etc. in respect of the Corporate Debtor, whether civil or criminal, pending before any authority, court, Tribunal or other forum prior to the NCLT Approval Date including which are already crystallised or may crystallize subsequent to the NCLT Approval Date in respect of on-going or potential Proceedings at all levels, shall stand settled and extinguished, and the Corporate Debtor shall have no liability in respect of such liabilities, obligations and payment obligations including all non-compliances, liabilities, penalties, fines, arising out of Proceedings, with/by the revenue authorities with respect to the existing use of the Property Lands forming part of Undertaking and held by the Corporate Debtor.

- (g) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, any invocation or appropriation or other enforcement action or Proceedings (initiated before any forum) and all liabilities, obligations including payment obligations of the Corporate Debtor arising out of all inquiries, investigations, whether civil or criminal, notices, causes of action, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative or other Proceedings by any Person against, or in relation to, or in connection with the Corporate Debtor or the affairs of the Corporate Debtor, pending or threatened, present or future, in relation to any period prior to the NCLT Approval Date, whether or not set out in the financial statements of the Corporate Debtor, shall be deemed to have been permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.
- (h) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, any liabilities, claims, demands, capital contributions or any other form of financial commitment, including but not limited to pledge of shares or any security interest created or provided, whether guaranteed or contractually agreed in writing or otherwise by the Corporate Debtor on behalf of or for its subsidiary companies, step-down subsidiaries, associate companies, group companies and / or their respective affiliates, shareholders / associates, as the case may be, which are in existence prior to the NCLT Approval Date and which may be invoked prior to the NCLT Approval Date or at any time thereafter, shall stand irrevocably and unconditionally settled and extinguished.
- (i) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, in the event any Person who has any claim(s) against the Corporate Debtor (including Financial Creditors, Operational Creditors, Other Creditors, Governmental Authorities, or otherwise) pertaining to a period prior to the NCLT Approval Date, has not submitted its claim(s) (whether or not it was aware of such claim at such time), or if the claim(s) filed by any such Person has been rejected by the Resolution Professional, then: (i) all such obligations, claims and liabilities of the Corporate Debtor (whether crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, whether or not set out in the financial statements of the Corporate Debtor); (ii) all liabilities, obligations including payment obligations of the Corporate Debtor arising out of any and all Proceedings initiated before any forum by or on behalf of any Person to enforce any rights or claims against the Corporate Debtor or enforce or invoke any security interest over the assets of the Corporate Debtor; and (iii) all claims of such Persons against the Corporate Debtor, in each case, relating to the period prior to the NCLT Approval Date, shall immediately, irrevocably and unconditionally stand extinguished and settled by virtue of the order of the NCLT approving this Resolution

Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- (j) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, the Corporate Debtor and its directors, key managerial personnel, officers and employees appointed after the NCLT Approval Date shall not be held liable in respect of all statutory/regulatory non-compliances having occurred prior to the NCLT Approval Date, including with respect to various provisions of Applicable Laws including but not limited to the Companies Act, 1956 and/or Companies Act, 2013 and/or the Taxation Laws and also of non-preparation and non-approval of financial statements for any of the financial years prior to the NCLT Approval Date.
- (k) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, the Corporate Debtor and the Resolution Applicant shall be entitled to review, revisit and modify all existing contracts entered into by the Corporate Debtor prior to the NCLT Approval Date, including the contracts which are entered into with related parties of the Corporate Debtor, the Corporate Debtor shall have no liability or obligation to pay the relevant counterparty to such contracts any sums payable for period prior to the NCLT Approval Date, nor shall the Corporate Debtor or the Resolution Applicant be liable to pay damages to the relevant counterparty and prior approval of the counterparties of any contract, agreement, shall not be required to be obtained for change in control / ownership / constitution of the Corporate Debtor pursuant to the terms of this Resolution Plan and all claims (whether pending, contingent or otherwise) made against the Corporate Debtor by the counterparties to such contracts / arrangements / purchase orders / work orders in relation to period up to the NCLT Approval Date shall stand settled and/or extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.
- (l) All Licenses and Permissions, lease, leave and license agreements / arrangements and any other business of the Corporate Debtor shall (without seeking any approval or no-objection, but subject to mandatory procedural formalities under the Applicable Law, if any) whether valid, subsisting, expired and / or continuing as of the NCLT Approval Date, shall be deemed to continue in full force and effect and shall remain valid and binding against the Corporate Debtor, the respective Governmental Authorities and the relevant counterparty(ies) as required for the purpose of continuing the business of the Corporate Debtor (notwithstanding that corporate insolvency resolution proceedings have been initiated against the Corporate Debtor, a change in control/ownership of the Corporate Debtor has been effected at least for a period of one (1) year after the approval of

the Resolution Plan pursuant to Section 31(4) of the IBC or within such period as provided for in relevant law, whichever is later. The Corporate Debtor with respect to its business shall not be liable for any non-compliance, default, breach, etc., during the period prior to the NCLT Approval Date, in relation to failure to take, or obtain, or failure to comply with, any lease, leave and license agreements / arrangements, Licences and Permissions from Government Authorities including but not limited to the Maharashtra State Electricity Distribution Company Limited, Maharashtra Industrial Development Corporation, Ministry of Environment, Forest and Climate Change, the Central Pollution Control Board and the State Pollution Control Board and no penalty and / or adverse actions and / or Proceedings shall be initiated and / or commenced against the Corporate Debtor with respect to its business in relation to any non-compliance, default, breach, etc., during the period prior to the NCLT Approval Date.

- (m) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, without prejudice to the aforesaid, all the existing Licenses and Permissions shall (without seeking any approval or no-objection, subject to mandatory procedural formalities under the Applicable Law, if any) all non-compliances, liabilities, penalties, fines with respect to the existing Licenses and Permissions and registrations granted to the Corporate Debtor having occurred prior to the NCLT Approval Date shall stand settled and extinguished and the Resolution Applicant shall have no liability or obligation in respect of such non-compliances, liabilities, penalties, fines (pending or yet to be crystalized).
- (n) The cancellation of existing equity share capital, increase in authorised share capital of the Corporate Debtor, appointment of statutory auditor and issuance or allotment of Equity Shares, amendment of the memorandum of association and articles of association of the Corporate Debtor, appointment of new directors on the Board of the Corporate Debtor and implementation of various other actions and matters contemplated in this Resolution Plan, shall not require any corporate action by the Corporate Debtor or any other approvals by the Corporate Debtor after approval of this Resolution Plan by the Hon'ble NCLT as per Section 30(2) of the IBC.
- (o) With effect from the NCLT Approval Date and upon the payment of the Upfront Cash Payment by the Resolution Applicant, all contracts, addendums and other deeds and documents for engaging individuals by the Corporate Debtor on contract basis shall be deemed terminated with effect from the NCLT Approval Date and all non-compliances with respect to said documents and contract workers or under Applicable Law either by the contractor and/or the Corporate Debtor as a principal employer shall stand settled and extinguished as well as all liabilities, obligations including payment obligations of

the Corporate Debtor arising out of any Proceedings shall stand settled and extinguished and that all individuals in the past engaged or are presently engaged or deemed to be engaged by the Corporate Debtor on contract basis either pursuant to an existing written contract, oral contract or otherwise shall not be regarded as workmen or employees of the Corporate Debtor shall have no liability in respect of such non-compliances, such workmen or employees and/or such deemed workmen or employees.

## **8 RELIEFS AND CONCESSIONS**

- 8.1 Any and all other claims or demands in relation to any period prior to the acquisition of control over the Corporate Debtor pursuant to this Resolution Plan or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor 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 Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.
- 8.2 Any and all rights and entitlements in relation to any period prior to the acquisition of control over the Corporate Debtor pursuant to this Resolution Plan or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor 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 Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.
- 8.3 Any security, guarantee, personal guarantee, corporate guarantee, pledge, charge, encumbrance, letter of credit, letter of undertaking, letter of comfort, letter of awareness, hypothecation or any other form of collateral that was created/granted/arranged in connection with any financial debt or operational debt at any time prior to the acquisition of control over the Corporate Debtor pursuant to this Resolution Plan, shall automatically fall away.
- 8.4 All liabilities and obligations in relation to such security, guarantee, personal guarantee, corporate guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or other form of collateral shall stand permanently extinguished on the approval of this Resolution Plan by the NCLT. All title deeds and other documents held by the financial creditors or on their behalf shall be immediately returned to the Corporate Debtor.
- 8.5 Any invocation or appropriation or other enforcement action already undertaken in respect of any security, guarantee, personal guarantee, corporate guarantee, letter of credit, letter of undertaking, letter of comfort,

letter of awareness, pledge, charge, encumbrance, hypothecation or collateral at any time prior to the acquisition of control over the Corporate Debtor pursuant to this Resolution Plan, shall stand automatically revoked and cancelled and deemed null and void.

- 8.6 The Resolution Applicant shall not be held liable, responsible or convicted/prosecuted in respect of any disclosed, undisclosed matter, litigation, disputes, charges, orders, awards of any nature from any person or any authority not disclosed or contingent liabilities of any nature prior to the date of order passed by Adjudicating Authority Hon'ble NCLT approving the Resolution Plan.
- 8.7 The Resolution Applicant shall not be responsible, liable, charged, convicted, and prosecuted for any of the act or omission prior to the date of approval of its resolution plan by Adjudicating Authority.
- 8.8 The Resolution Applicant shall not be responsible for any claim, damages, penalties, compromises, settlements, attachments, assessment proceedings and execution of any judgment decree or order of any court of law, tribunal, Arbitration Panel or other authority.
- 8.9 No property of the company shall be recovered under any order, judgment, and award in respect of acts, deeds, non-compliances, litigations prior to the date of approval of resolution plan by Adjudicating Authority. Any assets/property over which control is exercised by the lenders/government bodies belonging to the Corporate Debtor, ought to be released of all such liens upon approval of the resolution plan by the Adjudicating Authority.
- 8.10 Corporate Debtor has not earned any income by debt restructuring or Capital Restructuring. These are part of Resolution Plan to provide continuity of Business and Employment. Hence, this debt restructuring and Capital Restructuring shall not be subject to income tax under the provisions of Income Tax Act and no liability to arise to pay Income Tax.
- 8.11 The Resolution Applicant will not be liable for any claim, liability, obligations, undertakings, and guaranties, warranties of any nature on Corporate Debtor or its directors prior to date of approval of Resolution Plan which are disclosed or not disclosed and claimed by any person under the Information memorandum.
- 8.12 The Resolution Applicant shall not be liable for any act, deed, non-compliances of any statutory obligations and shall not be subjected to any proceedings, prosecutions, convictions or litigation under any act whatsoever, for any breach of contract, any defaults under the statutory obligations for the actions of the previous management, before the Resolution Applicant takes over the operations of the Corporate Debtor from the "effective date" being the date when the Adjudicating Authority approves this Resolution Plan.

8.13 The Resolution Applicant shall not be liable for any claim made by any customer in respect of defective goods, damaged goods or claim of any nature or sales made from the “effective date” of this Resolution Plan.

8.14 The Resolution Applicant and Corporate Debtor shall not be liable for any guarantees given by OPFPL or its Directors prior to effective date of Resolution Plan.

8.15 All the assets as disclosed in the Information Memorandum and Valuation Report would be handed over under peaceful procession to the Resolution Applicant, latest by the effective date as defined above.

***[SIGNATURE PAGE FOLLOWS]***

Yours faithfully,

**Rajeev Jagmohan Arora**

M 2/9 DLF Phase 2 Gurgaon 122001 HR IN

E-mail address: rajeevarora@paramountwheels.in

Phone Number: +91-99200 34426

**WITNESS:**

1. \_\_\_\_\_  
Name  
Designation:  
Date:

2. \_\_\_\_\_  
Name  
Designation:  
Date:

**SCHEDULE – 1: PROPERTY LANDS**

<b>Sr No.</b>	<b>Property Description</b>	<b>Type</b>	<b>Ownership/Leasehold</b>
1.	Bhanji Udyog Nagar, Next To Ajit Palace Hotel, Penkar Pada, Opp Golden Chemical, Mira Road (E) Thane – 401104	Registered Office	Leasehold
2.	Velvin Centre, A1/A & B Hatkesh Udyog Nagar, Mira-Bhayander Road, Thane – 401107.	MSIL – Mira Road Showroom	Leasehold
3.	Sanjar Business Park, Near State Bank of India, NH-08, Kashmirira, Thane – 401104	Nexa – Premium Showroom	Leasehold
4.	Saikrupa Building, Survey No. 133, Village Gandhare, Post-Kone, Wada-Bhiwandi Road, Wada, Palghar	Wada Showroom and Service Centre	Leasehold
5.	National Plastic Industries Ltd., W.E. Highway No. 8, Kashmirira, Thane – 401104	Body Shop – Mira Road	Leasehold
6.	Survey No. 106, Paiki Village, Sasunavghar, Mumbai Ahmedabad National Highway, Vasai.	Stock Yard (Vasai)	Leasehold

**SCHEDULE – 2: TIMELINES AND IMPLEMENTATION SCHEDULE**

<b>Step</b>	<b>Process</b>	<b>Timeline</b>
1.	Identification of the Monitoring Agency for implementation of the Resolution Plan from the NCLT Approval Date up to the Upfront Cash Infusion Date	After COC Approval
2.	Receipt of the certified copy of the order of the NCLT sanctioning the Resolution Plan and fulfilment of conditions prescribed, if any, by NCLT in its said order	X
3.	a. Upfront Cash Payment. b. Standalone Capital Reduction. c. Issuance/ allotment of 100% Equity Shares to the Resolution Applicant; d. The Resolution Applicant shall reconstitute the board of directors of the Corporate Debtor;  All of the above shall happen simultaneously.	- X + 90 days ("Y")
4.	Balance Consideration Payment Tranche of Rs. 4.00 crores	31 <sup>st</sup> March 2021

All the days set out above are Business Days only.

## **SCHEDULE – 3: INDUSTRY OVERVIEW**

### **I. AUTOMOBILE INDUSTRY - INTRODUCTION**

The Indian auto industry became the 4th largest in the world with sales increasing 9.5 per cent year-on-year to 4.02 million units (excluding two wheelers) in 2017. It was the 7th largest manufacturer of commercial vehicles in 2018.

The Two Wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector.

India is also a prominent auto exporter and has strong export growth expectations for the near future. Automobile exports grew 14.5 per cent during FY 2019. It is expected to grow at a CAGR of 3.05 per cent during 2016-2026. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two-wheeler and four wheeler market in the world by 2020.

### **II. MARKET SIZE**

Overall domestic automobiles sales increased at 6.71 per cent CAGR between FY13-19 with 26.27 million vehicles getting sold in FY19. Domestic automobile production increased at 6.96 per cent CAGR between FY13-19 with 30.92 million vehicles manufactured in the country in FY19

In FY19, year-on-year growth in domestic sales among all the categories was recorded in commercial vehicles at 17.55 per cent followed by 10.27 per cent year-on-year growth in the sales of three-wheelers.

Premium motorbike sales in India crossed one million units in FY18. During January-September 2018, BMW registered a growth of 11 per cent year-on-year in its sales in India at 7,915 units. Mercedes Benz ranked first in sales satisfaction in the luxury vehicles segment according to J D Power 2018 India sales satisfaction index (luxury).

Sales of electric two-wheelers are estimated to have crossed 55,000 vehicles in 2017-18.

### **III. MARKET POSITIONING – MARUTI SUZUKI**

**PVs – demand deferment and not destruction:** Demand in 2HCY18 was impacted by a confluence of factors like higher fuel prices, higher interest rates, insurance cost increase and the lack of major new product launches. A comparison with other consumer discretionary items like paints and adhesives – where volumes have been sustainably strong – suggests that the recent weakness in passenger vehicle (PV) demand was largely a function of financing issues. PV demand is being deferred and not destructed. Correction in fuel prices, resolution of liquidity issues and

upcoming new product launches are likely to drive a recovery in PV demand going forward.

**MSIL's product action to resume after a relatively dry year:** One of the reasons for MSIL's weak volumes in 2HCY18 was the lack of new product launches in CY18 and the benefit of the strong Baleno and Brezza order book already being realized in 1HCY18. However, CY19 appears more promising for MSIL with several launches (New WagonR, Vitara, New Alto and Future S Concept) lined up over the next 12-15 months.

**Best placed auto OEM to tide through multiple regulatory changes:** India's PV industry is faced with several regulatory actions starting Apr'19, including mandatory ABS, airbags, rear parking sensors and BS6. MSIL would be the least impacted auto OEM (incl. non-PV OEMs) due to its

(a) lower cost of compliance (e.g. only 1% higher cost for compliant new WagonR),

(b) lesser contribution from diesel fuel (which will witness highest cost inflation under BS6) and

(c) focus on CNG and hybrids to mitigate the impact of BS6

**MSIL's product action to resume after a relatively dry year**

- One of the reasons for weaker volumes for MSIL in 2HCY18 has been no new product launches in CY18 and also as the benefit of strong order book for Baleno and Brezza was realized in 1HCY18.
- CY18 had practically just one launch of New Swift, as New Ertiga was launched only on 14th Nov'18 (post festive season). However, CY19 appears more promising for MSIL with several launches lined up over the next 12-15 months.
- Following brand launches over next 12-15 months – Vitara (mid-size SUV competing with Hyundai's Creta) and a model based on Future S Concept (Micro-SUV, concept displayed at Auto Expo 2018).
- Also, two of MSIL's entry-level models – Wagon R (Jan-19) and Alto (by Sep'19) – would see full platform upgrade. These upgrades would be relevant as the entry-level segment (Mini) has witnessed product fatigue. Also, both these models would see substantial upgrade on the safety norms as they comply with the upcoming regulations on mandatory airbags, ABS and crash test norms, among others.

**SCHEDULE – 4: COMPLIANCE CHECKLIST AGAINST MANDATORY CONTENTS OF THE RESOLUTION PLAN AS PER THE CODE AND THE CIRP REGULATIONS**

<b>Section / Regulation</b>	<b>Requirement</b>	<b>Paragraph / Page No. of the Resolution Plan</b>	<b>Compliance (Yes / No)</b>
Section 29A of the Code	As per provisions contained in the Section 29A of the Code.	Requisite details / Information / Documents pertaining to compliance with Section 29A of the Code have been provided by the Resolution Applicant as part of the Resolution Plan/ expression of interest and / or as part of the supporting documents with the Resolution Plan / expression of interest.	Yes.
Section 30(2)(a) of the Code	(2) The Resolution professional shall examine each resolution plan received by him to confirm that each resolution plan – (a) Provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of the other debts of the Corporate Debtor;	Please refer to Paragraph 3.2.1 of the Resolution Plan.	Yes.

Section 30(2)(b) of the Code	(b)	Provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than the amount to be paid to the operational creditors in the event of liquidation of the corporate debtor under Section 53;	Please refer to Paragraphs 3.4, 3.5 and 3.6 of the Resolution Plan.	Yes.
Section 30(2)(c) of the Code	(c)	Provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan;	Please refer to Paragraph 5 of the Resolution Plan.	Yes.
Section 30(2)(d) of the Code	(d)	The implementation and supervision of the Resolution Plan;	Please refer to Paragraph 6 of the Resolution Plan.	Yes.
Section 30(2)(e) of the Code	(e)	Does not contravene any of the provisions of the law for the time being in force;	Please refer to Paragraph 7.8.1 of the Resolution Plan.	Yes.
Section 30(2)(f) of the Code	(f)	Conforms to such other requirements as may be specified by the Board	Please refer to the terms and conditions of the Resolution Plan.	Yes.
Regulation 38(1) of the CIRP Regulations		The amount due to the operational creditors under the Resolution Plan shall be given priority in payment over financial creditors.	Please refer to Paragraphs 3.4, 3.5 and 3.6 of the Resolution Plan.	Yes.

Regulation 38(1A) of the CIRP Regulations	(1A) A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor	Please refer to Paragraph 7.1 of the Resolution Plan.	Yes.
Regulation 38(1B) of the CIRP Regulations	(1B) A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.	Please refer to Paragraph 7.7.2 of the Resolution Plan.	YES.
Regulation 38(2)(a) of the CIRP Regulations	A resolution plan shall provide: (a) the term of the plan and its implementation schedule;	Please refer to Paragraph 6 of the Resolution Plan.	Yes.
Regulation 38(2)(b) of the CIRP Regulations	(b) the management and control of the business of the Corporate Debtor during its term; and	Please refer to Paragraph 5 of the Resolution Plan.	Yes.
Regulation 38(2)(c) of the CIRP Regulations	(c) adequate means for supervising its implementation.	Please refer to Paragraph 6 of the Resolution Plan.	Yes.
Regulation 38(3)(a) of the CIRP Regulations	A resolution plan shall demonstrate that – (a) it addresses the cause of default;	Please refer to Paragraphs 7.7.3(a) of the Resolution Plan.	Yes.
Regulation 38(3)(b) of the CIRP Regulations	(b) it is feasible and viable;	Please refer to Paragraphs 7.8.3(b) of the Resolution Plan.	Yes.

Regulation 38(3)(c) of the CIRP Regulations	(c)	it has provisions for its effective implementation;	Please refer to Paragraphs 7.8.3(c) of the Resolution Plan.	Yes.
Regulation 38(3)(d) of the CIRP Regulations	(d)	it has provisions for approvals required and the timeline for the same; and	Please refer to Paragraphs 7.8.3(d) of the Resolution Plan.	Yes.
Regulation 38(3)(e) of the CIRP Regulations	(e)	the resolution applicant has the capability to implement the resolution plan.	Requisite details / Information / Documents pertaining to eligibility/capability of the Resolution Applicant has been provided by the Resolution Applicant as part of the Resolution Plan / expression of interest and / or as part of the supporting documents with the Resolution Plan / expression of interest. Please also refer to Paragraphs 7.8.3(e) of the Resolution Plan.	Yes.

**SCHEDULE – 5: FINANCIAL PROJECTIONS**

**Assumptions**

		<b>Amt in Rs Cr</b>				
<b>FY Ending March 31,</b>		<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
		Proj	Proj	Proj	Proj	Proj
No of Vehicles Purchased	Nos	1,200	1,800	2,000	2,000	2,000

Avg Purchase Price	Rs/ Vehicle	5,50,000	5,75,000	6,00,000	6,00,000	6,00,000
Total Purchases	Rs Cr	66	104	120	120	120
Opening Stock	Rs Cr	5.44	8.25	10.78	12.50	12.50
(No of Vehicles)		99	150	188	188	188
Closing Stock	Rs Cr	8.25	10.78	12.50	12.50	12.50
(No of Vehicles)		150	188	208	208	208
Changes in Inventories		-2.81	-2.53	-1.72	-	-
Gross profit %		6.25%	6.50%	6.75%	7.00%	7.00%
Gross profit per Car	Rs/ Vehicle	34,375	37,375	40,500	42,000	42,000
Sales Price	Rs/ Vehicle	5,84,375	6,12,375	6,40,500	6,42,000	6,42,000
No of Vehicles Sold	Nos	1,149	1,763	1,979	1,979	1,979
<b>Sales Amt</b>	<b>Rs Cr</b>	<b>67.14</b>	<b>107.93</b>	<b>126.77</b>	<b>127.06</b>	<b>127.06</b>
<b>Services Income (A)</b>						
No of Cars	Per Month	1,500	2,000	2,250	2,500	2,750
	Per Year	18,000	24,000	27,000	30,000	33,000
Income per Car (Labour)		2,500	2,500	2,500	2,500	2,500
<b>Total Revenue</b>		<b>4.50</b>	<b>6.00</b>	<b>6.75</b>	<b>7.50</b>	<b>8.25</b>
<b>Parts</b>						
Per Car Revenue	Rs/Car	2,500	2,500	2,500	2,500	2,500
Per Car Cost	Rs/Car	2,125	2,125	2,125	2,125	2,125
Per Car Profit	Rs/Car	375	375	375	375	375
Revenue	Rs Cr	4.50	6.00	6.75	7.50	8.25
Cost	Rs Cr	3.83	5.10	5.74	6.38	7.01
<b>Profit</b>	<b>Rs Cr</b>	<b>0.68</b>	<b>0.90</b>	<b>1.01</b>	<b>1.13</b>	<b>1.24</b>
<b>Body Shop Revenues (B)</b>						
No of Cars	Per Month	200	300	350	400	450
	Per Year	2,400	3,600	4,200	4,800	5,400

Income per Car (Labour)		11,000	11,000	11,000	11,000	11,000
<b>Total Revenue</b>		<b>2.64</b>	<b>3.96</b>	<b>4.62</b>	<b>5.28</b>	<b>5.94</b>
<b>Parts</b>						
Per Car Revenue	Rs/Car	7,000	7,000	7,000	7,000	7,000
Per Car Cost	Rs/Car	5,950	5,950	5,950	5,950	5,950
Per Car Profit	Rs/Car	1,050	1,050	1,050	1,050	1,050
Revenue	Rs Cr	1.68	2.52	2.94	3.36	3.78
Cost	Rs Cr	1.43	2.14	2.50	2.86	3.21
<b>Profit</b>	<b>Rs Cr</b>	<b>0.25</b>	<b>0.38</b>	<b>0.44</b>	<b>0.50</b>	<b>0.57</b>

**Projected Profitability Statement**

	<b>Rs Cr</b>				
<b>FY Ending March 31,</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	Proj	Proj	Proj	Proj	Proj
<b>Revenue from Sales</b>					
Vehicles and Accessories	67.1	107.9	126.8	127.1	127.1
Services and Repairs	8.1	11.2	12.8	14.4	16.0
<b>Total Revenues</b>	<b>75.2</b>	<b>119.2</b>	<b>139.6</b>	<b>141.5</b>	<b>143.1</b>
<b>Other Income</b>	<b>1.3</b>	<b>1.9</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>
<b>Total Income</b>	<b>76.5</b>	<b>121.1</b>	<b>141.9</b>	<b>143.8</b>	<b>145.3</b>
<i>*Registration, Number Plates, Balance W/back etc.</i>					
<b>Expenses</b>					
Purchase of Stock in Trade	66.0	103.5	120.0	120.0	120.0
Changes in Inventories	-2.8	-2.5	-1.7	-	-
Employee Benefit Expenses	8.5	9.2	9.9	10.7	11.6
Other Expenses	8.7	9.1	9.6	10.1	10.6
<b>Total Expenses</b>	<b>80.4</b>	<b>119.3</b>	<b>137.8</b>	<b>140.8</b>	<b>142.1</b>
<b>EBIDTA</b>	<b>-3.9</b>	<b>1.8</b>	<b>4.1</b>	<b>3.0</b>	<b>3.2</b>
<b>EBIDTA %</b>	<b>-</b>	<b>1.50%</b>	<b>2.87%</b>	<b>2.06%</b>	<b>2.19%</b>
	<b>5.07%</b>				
Interest	-	0.7	0.9	0.8	0.7
Depreciation	1.5	1.5	1.5	1.5	1.5
Exceptional Items#	22.8				
<b>PBT</b>	<b>17.4</b>	<b>-0.4</b>	<b>1.7</b>	<b>0.7</b>	<b>1.0</b>
Tax	-	-	0.4	0.2	0.3
<b>Net Profit</b>	<b>17.4</b>	<b>-0.4</b>	<b>1.3</b>	<b>0.5</b>	<b>0.8</b>

# Gain on loan liability write back

**Projected Cash Flow Statement**

	<b>Rs Cr</b>				
<b>FY Ending March 31,</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	Proj	Proj	Proj	Proj	Proj
<b>Inflows</b>					
Funds Raised by RA	5.25	4.00			
Funds raised for WC		1.00	-		
EBIDTA	-3.88	1.81	4.07	2.96	3.19
(Incr)/ Decr in Current Assets					
Inventories	1.13	-2.53	-1.72	-	-
Debtors	-0.46	-1.68	-0.77	-0.01	-
ST Loans/Adv	1.31	-	-	-	-
Other Current Assets	0.17				
(Incr)/ Decr in Current Liabilities					
Short Term Borrowings					
Trade payables		2.58	-	-	-
Other Current Liabilities					
<b>Total Inflows</b>	<b>3.52</b>	<b>5.19</b>	<b>1.57</b>	<b>2.95</b>	<b>3.19</b>
<b>Outflows</b>					
Capex					
Resolution Plant Payments					
CIRP Costs	0.30				
Priority Debt	0.50				
Payment to FC ^	4.10	4.00	-	-	-
Payment of Stat Dues	0.05				
Payment of Employee Dues	0.15				
Payment to Op Creditors	0.15				
Interest		0.70	0.90	0.82	0.67
Repayment of Funds Raised by RA		-	-	1.00	1.00
Tax Payment	-	-	0.43	0.17	0.26
<b>Total Outflows</b>	<b>5.25</b>	<b>4.70</b>	<b>1.32</b>	<b>1.99</b>	<b>1.93</b>
<b>Opening Cash Balance</b>	<b>1.89</b>	<b>0.16</b>	<b>0.65</b>	<b>0.90</b>	<b>1.86</b>
<b>Surplus/ (Deficit)</b>	<b>-1.73</b>	<b>0.49</b>	<b>0.25</b>	<b>0.96</b>	<b>1.25</b>
<b>Closing Cash Balance</b>	<b>0.16</b>	<b>0.65</b>	<b>0.90</b>	<b>1.86</b>	<b>3.12</b>
<i>Cash Flow DSCR</i>	<i>0.7</i>	<i>1.1</i>	<i>1.2</i>	<i>1.5</i>	<i>1.6</i>

**Projected Balance Sheet**

<b>FY Ending March 31,</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	Proj	Proj	Proj	Proj	Proj

**EQUITY AND  
LIABILITIES****Shareholders Funds**

Share Capital	6.2	6.2	6.2	6.2	6.2
Reserves and Surplus	1.6	1.0	2.2	2.7	3.5
Fresh Fund Infusion for WC	-	1.0	1.0	1.0	1.0

**Non-Current Liabilities**

Long Term Borrowings	0.4	0.4	0.4	0.4	0.4
RA Funds Infusion	5.3	9.3	9.3	8.3	7.3
Other Long Term Liab.	2.3	2.3	2.3	2.3	2.3
Deferred Tax Liab.	0.2	0.2	0.2	0.2	0.2

**Current Liabilities**

Short Term Borrowings	4.0	-	-	-	-
Trade Payables	0.4	3.0	3.0	3.0	3.0
Other Current Liabilities	20.9	20.9	20.9	20.9	20.9

<b>TOTAL LIABILITIES</b>	<b>41.3</b>	<b>44.2</b>	<b>45.5</b>	<b>45.0</b>	<b>44.8</b>
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**ASSETS****Non-Current Assets**

Fixed Assets					
Tangible Assets	11.0	9.5	8.0	6.6	5.1
Intangible Assets	-	-	-	-	-
Capital WIP	-	-	-	-	-
Deferred Tax Assets	-	-	-	-	-
Long Term Loans and Advances	2.9	2.9	2.9	2.9	2.9

**Current Assets**

Inventories	8.3	10.8	12.5	12.5	12.5
Trade Receivables	10.4	12.0	12.8	12.8	12.8
<i>Less than 6M</i>	2.8	4.4	5.2	5.2	5.2
<i>More than 6M</i>	7.6	7.6	7.6	7.6	7.6
Cash and Cash Equivalents	0.2	0.7	0.9	1.9	3.1
Short Term Loans/Adv	5.6	5.6	5.6	5.6	5.6
Other Current Assets	3.0	2.7	2.7	2.7	2.7

<b>TOTAL ASSETS</b>	<b>41.3</b>	<b>44.2</b>	<b>45.5</b>	<b>45.0</b>	<b>44.8</b>
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**ADDENDUM I**

Date: 04<sup>th</sup> January, 2020

To,

Mr. Rajendra K Bhuta,

The Resolution Professional,

In the matter of Paramount Wheels Pvt Ltd

1207, Yogi Paradise, Yogi Nagar,

Borivali (West), Mumbai – 400092.

Subject: Revision in the Distribution of total Resolution Amount  
Distributed under Upfront cash payment and Balance Consideration  
total amounting to Rs. 9 crore as provided on page 20 of the Resolution  
Plan dated 12<sup>th</sup> December, 2019.

Dear Sir,

In the 13<sup>th</sup> COC Meeting held on 3<sup>rd</sup> January, 2020 in the matter of Paramount Wheels Pvt Ltd on discussion of the finalization of the Resolution Plan dated 12<sup>th</sup> December, 2019 submitted by me, the Secured Creditor State Bank of India have conveyed to all the COC Members that the distribution of total resolution amount as proposed on page 20 have considered secured and unsecured creditors on par. Whereas, the secured creditors should have got better consideration as compared to unsecured creditors. The Secured Creditors to get 80% of Rs. 7.75 crores. amount available to Financial Creditors and balance 20% be made available to Unsecured Creditors. The Distribution of Upfront cash payment towards Personal Guarantees to Financial Creditors to continue on par basis.

After the consideration of the proposal of State Bank of India Resolution Applicant represented by his Authorised Representative Mr. Yash Jain was informed to modify the Distribution under the Resolution Plan on page 20 by incorporating the proposal of State Bank of India.

I hereby modify the Distribution of Total Resolution Amount Distributed under upfront cash payment and Balance Consideration amounting to Rs. 9crores on page 20 as under:

#	Cost of the Resolution Plan	Claims received	Claims Admitted	Haircut (%)	Amount payable (Amount in INR)
<b>A</b>	CIRP Cost			0	45,00,000
<b>B</b>	Towards Interim Finance			0	54,00,000
<b>C</b>	Wages and Salaries			0%	6,00,000
	<b>Total of (A+B+C)</b>				<b>1,05,00,000</b>
<b>D</b>	<b>Financial Creditors</b>				
	State Bank of India (Secured)	16,73,25,743	16,73,25,743	70.90%	4,86,96,523
	Axis Bank	7,33,62,881	7,33,62,881	85.09%	1,09,36,679
	ICICI Bank (Secured)	4,60,48,728	4,57,51,835	70.90%	1,33,15,079
	Yes Bank	2,43,68,188	2,43,68,188	85.09%	36,32,723
	HDFC Bank	39,80,528	39,80,528	85.09%	5,93,403
	Mahindra Finance	21,84,065	21,84,065	85.09%	3,25,593
	<b>Total of (D)</b>	<b>31,72,70,133</b>	<b>31,69,73,240</b>		<b>7,75,00,000</b>
<b>E</b>	<b>Operational Creditor</b>				
	Statutory Dues	17,40,49,929	17,40,49,929	99.71%	5,00,000
	Other Operational Creditors	2,19,16,635	1,74,48,469	91.40%	15,00,000

	<b>Total of (E)</b>	<b>19,59,66,56</b>	<b>19,14,98,39</b>		<b>20,00,000</b>
		<b>4</b>	<b>8</b>		
	<b>Total</b> <b>A+B+C+D+E</b>				<b><u>9,00,00,000</u></b>

Distribution of Upfront Cash Payment towards Personal Guarantees to Financial Creditors shall be as under: this table is provided on page 20 of the Resolution plan dated 12<sup>th</sup> December, 2019 and not modified.

<b>Financial Creditors</b>	<b>Claims received</b>	<b>Claims Admitted</b>	<b>Amount payable (Amount in INR)</b>
State Bank of India	16,73,25,743	16,73,25,743	13,19,715
Axis Bank	7,33,62,881	7,33,62,881	5,78,620
ICICI Bank	4,60,48,728	4,57,51,835	3,60,849
Yes Bank	2,43,68,188	2,43,68,188	1,92,194
HDFC Bank	39,80,528	39,80,528	31,395
Mahindra Finance	21,84,065	21,84,065	17,226
<b>Total</b>	<b>31,72,70,133</b>	<b>31,69,73,240</b>	<b>25,00,000</b>

This letter to be considered as part of the Resolution plan dated 12<sup>th</sup> December, 2019.

Kindly consider the addendum letter and would humbly request the COC members to expedite the process on finalisation of the Resolution Plan and schedule the E-voting for the approval of the same.

Regards,  
Rajeev Arora  
Resolution Applicant.

**ADDENDUM II**

Date: 10<sup>th</sup> February, 2020

To,  
Mr. Rajendra K Bhuta,  
The Resolution Professional,  
In the matter of Paramount Wheels Pvt Ltd  
1207, Yogi Paradise, Yogi Nagar,  
Borivali (West), Mumbai – 400092.

Subject: Revision in the amount towards release of personal guarantees of Mr. Rajeev Arora and Mr. Sanjeev Arora from Rs. 25 lacs to Rs 35 lacs as per the Resolution Plan dated 12<sup>th</sup> December, 2019.

Dear Sir,

As per our discussion and mutual acceptance with State Bank of India, I am hereby willing to increase the amount towards release of personal guarantees of both the promoters namely, Mr. Rajeev Arora and Mr. Sanjeev Arora from Rs. 25 lacs to Rs. 35 lacs as upfront cash payment. Please note that this is my last attempt to support my resolution plan and I will not be able to negotiate any further as I do not have financial tie up to support any payment beyond this. Moreover, as time is passing by, business is getting more and more depleted.

This letter is to be considered as the addendum letter 2 in addition to the addendum letter 1 dated 4<sup>th</sup> January 2020 and be an integral part of the Resolution plan dated 12<sup>th</sup> December, 2019.

Kindly consider the addendum letter and would humbly request the COC members to expedite the process on finalisation of the Resolution Plan and schedule the E-voting for the approval of the same.

Regards,

Rajeev Arora  
Resolution Applicant.

**ADDENDUM III**

Date: 18<sup>th</sup> July, 2020

To,

Mr. Rajendra K Bhuta,

The Resolution Professional,

In the matter of Paramount Wheels Pvt Ltd

1207, Yogi Paradise, Yogi Nagar,

Borivali (West), Mumbai – 400092.

Subject: Addendum to the Resolution plan dated 12th December, 2019

Dear Sir,

As allowed by the honourable NCLT court via its order dated 24<sup>th</sup> June 2020 on my **IA No. 1020 of 2020, I am hereby submitting my revised financial plan by way of this addendum.** This letter is to be considered as the addendum letter 3 in addition to the addendum letter 2 dated 10<sup>th</sup> February 2020 and addendum letter 1 dated 4<sup>th</sup> January 2020 and be an integral part of the Resolution plan dated 12<sup>th</sup> December, 2019.

Kindly consider the addendum letter and would humbly request the COC members to expedite the process on finalisation of the Resolution Plan and schedule the E-voting for the approval of the same.

**Reasons for revision in the resolution plan:**

**1. Loss of Asset due to Illegal Eviction - Penkarpada Workshop at Vijay Prints Compound, Near Ajit Palace Hotel, Thane. Maharashtra.**

Penkarpada workshop was the most lucrative and cash generating asset of the Corporate Debtor.

It is known to the members that said workshop was lost to the dispute between two fighting landlords back in January 2020. The outcome was that the Cooperate debtor and its entire workforce were illegally evicted from the facility in early January. Despite repeated follow ups and intervention by me on request of the RP to attempt a resolution between the two fighting landlords the outcome was not achieved as adequate measures and actions were not taken to facilitate the same. Further despite repeated requests, no actions to

initiate timely police protection under the law, (company being in NCLT) were exercised until Corporate Debtor escalated the matter to the COC. The legal landlord, the one with whom the corporate debtor was under tenancy agreement filed an injunction in court including the RP as an applicant. On the date of the matter the landlord requested the presence of the RP but the Corporate Debtor had to represent the case independently.

Resultant, as on today, the corporate debtor is not in possession of this key asset which houses a large portion of its tools and equipment, stocks, spare parts, consumables and many such items that are crucial to the operations of the company. Along with these the corporate debtor has lost credibility in the market as many customer vehicles were locked in these premises and were illegally obstructed to be delivered back to the customers. The same resulted in loss of image and brand of the corporate debtor. These instances have damaged the potential of recovery in the business to its full potential.

It has been almost 4 months that there has been no action towards recovery of this asset and its contents other than filing a civil suit. In RA's assumption, a large portion of stocks and materials have been abandoned due to this act, which would definitely result in reduction off the value of these assets severely impact the cash generation capabilities of the corporate debtor.

## **2. Loss due to inaction on Saleable Value of BSiV Inventory & Demo Cars**

There has been constant communication from our OEM Maruti Suzuki India since December 2019 informing the corporate debtor and its employees on the upcoming final date in March post which these vehicles would not be permitted to be sold. Despite having adequate time and potential market demand there were delays on simple discount approvals to the sales team which led to this stock remaining unsold with the corporate debtor. As on the date of the lockdown it was advised to members as well as to me that the company was in possession of a sizable number of such obsolete technology vehicles that would now be sold with humongous discounts. It is also learned that despite Maruti Suzuki guiding dealerships to sell old technology demo vehicles which were serving the purpose of test drive vehicles of the corporate debtor, no action was taken to recover opportune value of these cars in a timely manner.

It is market information that these vehicles are currently selling for discounts as high as 70% to 80% of their retail value. This Inventory off the corporate debtors was a part of my successful resolution bid. Effectively, RA has lost 70-

80% of the value of stocks he had agreed to take over due to inaction in this regard and as highlighted above.

### **3. Damages and Deterioration of Workshop Kashimira due to no security**

It is my understanding that this workshop was in operation until the nationwide lockdown caused due to novel coronavirus. Since lockdown over the last 60 + days it is learned that this site was left unsecured and for many days there were no security guards present. Further, it is learned that in absence of any security, the premises was broken into and many people resided illegally in many parts of the workshop. It is further learned that there has been animal infestation in the premises and damages caused to furniture, customer lounge, and most electrical cables and wiring due to rat infestation.

Images emailed to the RP by current staff of the corporate debtor indicate that the above assumptions are true. The resolution applicant has repeatedly been writing and highlighting for adequate steps to be taken in a timely manner to protect and secure this asset. The images and videos also indicate that many areas of the office and the back offices off the corporate data have been either broken into or entered by unauthorized people, casting a seriously doubtful scenario on any potential theft that could have been carried out.

The workshop and body-shop was also housing the largest storage of the corporate debtor inventories and it is my fear that there could be a potential of theft having taken place of valuable stocks, spare parts and consumables that were stored in the premises.

It is also been informed to the RP as well as to the staff of the corporate debtor that the landlord of this premises has been under negotiation with another party for the same premises. It is my [RA] belief that due to lack of genuine communication with the landlord, the landlord is now not inclined to continue leasing this facility to the RA. It is important to ensure that this asset is made available to me against my successful resolution bid. If it is that this facility is also lost like the Penkarpada workshop, or not continued to be provided to me for operating the business of the corporate debtor then the value of this asset and its contents should be reduced from my bid amount.

First and foremost it is extremely important that strong security be installed in this facility to ensure that no further depletion or erosion of assets continues.

### **4. Exponentially high and undisclosed CIRP Costs**

In continuation to the issue with regards to the matter concerning undisclosed

CIRP costs to the members and to the RA in a timely manner, it has been further highlighted in my email dated 5 May 2020 that there has been no procedural submission of month on month CIRP costs incurred by the corporate data post October 2019.

The submissions made by the outgoing IRP during the time of handover to the incoming RP in November 2019 included a detailed financial statement which was made available to all members and to the resolution applicant at the time of hand over. Post that only in March 2020 a detail financial statement was submitted to the members of COC after the resolution plan was approved by the COC. The new statement of accounts towards CIRP costs incurred and payable was contradicting from the numbers provided earlier. These statements of accounts expressed a very grave and negative situation as they posed to reduce the recovery ability of the lenders drastically.

At the time of national lockdown there were multiple options available to limit the expenses of CIRP costs so as to further retain the recoverability of the lenders, but no such available option was exercised. Simple decisions such as communicating with the landlords advising them of invoking of force major during the time of pandemic would have opened a debate that could retain the opportunity of some negotiations to try and save the costs of CIRP.

Utility services being availed by the corporate debtor such as electricity, housekeeping, manpower could have been addressed in a more open and opportune manner. There could have been adequate staff reduction as well as supporting the ESIC staff with government schemes, which would have reduced the liability of salaries on the corporate debtor. Even the letter to the electricity department asking them to reduce our minimum load would have resulted in a huge saving of electricity bills that would stand payable as one date.

To summarize that has been inconsistencies in following the rules of submission of adequate and accurate costs during the process of CIRP. Lack of this information has severely impacted the recoverability of the lenders.

## **5. Impact of Covid 19**

We are witnessing one of the worst Pandemic's ever known to Mankind which has already flattened the Indian Economy. You all are aware the Automobile Industry for the first time in history recorded a "ZERO" sales Month in April

2020. It scares me to even imagine how these effects are going to impact the future of the Automobile Industry. There is a Negative outlook of the Future of Automobile Industry and I don't see revival (if any) for at least a year from today.

#### **6. Reduction in Financial support from investors / lenders:**

I was borrowing in personal capacities to support in the repayments as envisaged in the approved resolution plan Resolution plan dated 12th December, 2019. Due to Covid 19, business of my investors / lenders too has been severely impacted. They are not in a position to support me with the amounts and tenure they offer earlier. Revised letters of support from the investors is attached with his letter.

#### **Revised Financial Offer from my side and its comparison with previous plan:**

In lieu of the material facts as mentioned above and as permitted by honorable NCLT court, my revised financial offer and its comparison with the previous resolution plan approved by the COC is mentioned below for the consideration of the COC:

<b>Particulars</b>	<b>Approved plan (INR crs)</b>	<b>Revision proposed now (INR crs)</b>
Towards resolution of company	9.00	9.00
Towards resolution of PG	0.35	0.35
<b>Total plan value</b>	<b>9.35</b>	<b>9.35</b>
<b>Payment Terms:</b>		
Upfront Cash Payment	5.35	3.85
12 Months from ("Upfront Cash Payment")	0.00	1.00
On or before 31 <sup>st</sup> March 2021	4.00	0.00
24 Months from ("Upfront Cash Payment")		1.00
36 Months from ("Upfront Cash Payment")		1.75

42 Months from ("Upfront Cash Payment")		1.40
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### Distribution of Total Resolution Amount

#	Liabilities under Resolution Plan	Amount payable (INR)
<b>A</b>	<b>Pending to be paid CIRP Costs till 31<sup>st</sup> July 2020(Pls also refer to the note below)</b>	<b>53,841,247.00</b>
<b>B</b>	<b>Estimate of further CIPR costs to be incurred till approval of the resolution plan</b>	<b>25,00,000</b>
	<b>Towards Interim Finance and interest for 8 months @ rate of 12% p.a.</b>	<b>56,00,000</b>
	<b>Total of (A+B+C)</b>	<b>61,941,247</b>
<b>D</b>	<b>Financial Creditors</b>	
	SBI	16,998,977
	ICICI	4,648,026
	Axis	3,821,349
	Yes	1,269,298
	HDFC	207,339
	Mahindra Finance	113,764
	<b>Total of (D)</b>	<b>27,058,753</b>
<b>E</b>	<b>Operational Creditor</b>	
	Statutory Dues *	500,000
	Other Operational Creditors	500,000
	<b>Total of (E)</b>	<b>10,00,000</b>
	<b>Total (A+B+C+D+E)</b>	<b>9,00,00,000</b>

\* Statutory Dues submitted in IM do not reflect the Input Credit of GST and Appeal amounts of Vat liabilities disputed by CD.

**Notes on CIRP Costs that have been assumed to be paid above but can be practically saved:**

We estimate that a total of Rs. 2,69,040 against security and Rs. 63,04,644 against rent to be paid and future CIRP costs of Rs. 25,00,000 can be saved from CIRP Costs and can increase the lenders recovery to the tune of Rs. 90,73,684. Detailed reasoning for the same is given below. We will require support from the RP in execution of this and seeking waiver from NCLT

### 1. Security Charges

SR. NO.	PARTICULARS	DESCRIPTION	BILL AMT.	Reason for non-payment
1	SUMIT SAFE SECURITY - PKP	SECURITY CHARGES-PKP - JAN -20	41300	Not to be paid since site has been illegally taken over
2	SUMIT SAFE SECURITY - PKP	SECURITY CHARGES-PKP - FEB -20	41300	Not to be paid since site has been illegally taken over
3	SUMIT SAFE SECURITY - NEXA	SECURITY CHARGES NEXA - MAR -20	41300	Not to be paid since to be paid by Sai Service
4	SUMIT SAFE SECURITY - ARENA	SECURITY CHARGES ARENA - MAR -20	41300	Not to be paid since to be paid by Sai Service
5	SUMIT SAFE SECURITY - KWS	SECURITY CHARGES KWS - APR -20	51920	Not to be paid since theft happened
6	SUMIT SAFE SECURITY - KWS	SECURITY CHARGES KWS - MAY -20	51920	Not to be paid since theft happened
	<b>Total</b>		<b>269040</b>	

### 2. Rent

SR. NO.	PARTICULARS	DESCRIPTION	BILL AMT.	Actual Rent	Reason for non-payment
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1	MIRA ROAD S/R RENT	Mar-20	900000	875000	To be paid by Sai Service
2	MIRA ROAD S/R RENT	Difference in Rent as per RP and actual rent (Rs. 25000 per month from Oct 19 to July 20)		200000	NA
3	NEXA RENT	Mar-20	706997	680000	To be paid by Sai Service
4	NEXA RENT	Difference in Rent as per RP and actual rent (Rs. 25000 per month from Oct 19 to July 20)		188979	NA
5	PKP RENT	Full rent due not to be paid		4360665	Site has been illegally occupied
	Total			6304644	

3. **GST** – We shall be seeking a 100% waiver of GST and TDS payable citing unforeseen crisis due to Covid 19. We also endeavour highlight to the honourable court that in the interest of maintain going concern of the CD, both lenders as well the RA have contributed a lot and without this support, company may not be resolved anymore and may shut down leading to loss of 300 jobs and extinguishment of carrier of a bonafide young promoter who could have otherwise contributed in value creation for all stakeholders.
4. RP has estimated Rs. 1.92 crores as further CIRP costs to be further incurred after 31<sup>st</sup> July 2020 until resolution order is passed by the honourable NCLT court. We propose to take over operations of the Corporate Debtor from August 1<sup>st</sup> 2020 and pay all future CIRP costs. A proposal for the same has already been circulated to the RP and COC. Upon implementation of this proposal lenders recovery will further increase by Rs. 25 lacs.

#### **Comparison of Source of Funds:**

<b>Particulars</b>	<b>Approved plan (INR crs)</b>	<b>Revision proposed now (INR crs)</b>
Loan taken by Mr. Rajeev Arora from Lalit Gulati	5.00	3.75
Loan taken by Mr. Rajeev Arora from Red Ribbon Asset Management	4.00	3.00
Fresh contribution by Mr. Rajeev Arora towards release of personal guarantees and EMD already deposited	0.35	0.45
*Internal Accruals during the 42 months of operations	NA	2.15
<b>Total Repayment as per the plan</b>	<b>9.35 crs</b>	<b>9.35</b>

**Distribution of payment towards Resolution of the company to Financial Creditors shall be as under:**

<b>Particulars</b>	<b>Amount (RS)</b>	<b>Utilization of Payments by the RA (Amount in Rs.)</b>			
		<b>Payment of CIRP Costs</b>	<b>Payment towards Pre CIRP Operating Creditors</b>	<b>Payment towards Pre Statutory Dues</b>	<b>Repayment to Financial Creditors</b>
Upfront Payment	38,500,000	38,500,000			
12 Months from ("Upfront Cash Payment")	10,000,000	10,000,000			
24 Months from ("Upfront Cash Payment")	10,000,000	10,000,000			
36 Months from ("Upfront Cash Payment")	17,500,000	3,441,247	500,000	500,000	13,058,753
42 Months from ("Upfront Cash Payment")	14,000,000	-	-	-	14,000,000

<b>Cash Payment")</b>					
<b>Total</b>	<b>90,000,000</b>	<b>61,941,247</b>	<b>500,000</b>	<b>500,000</b>	<b>27,058,753</b>

**Note:**

Since upfront amount is not sufficient to cover the entire CIRP costs, in the interest of retaining the fixed assets of the company post resolution as well as ensure smooth turnaround, rents and employee dues during CIRP need to be prioritized over other CIRP payments. We propose that while **Distribution of payment towards release of Personal Guarantees of Mr. Rajeev Arora and Mr. Sanjeev Arora to Financial Creditors shall be as under:**

<b>Financial Creditors</b>	<b>Claims received (Amount in INR)</b>	<b>Claims Admitted (Amount in INR)</b>	<b>Amount payable (Amount in INR)</b>
State Bank of India	16,73,25,743	16,73,25,743	1847601
Axis Bank	7,33,62,881	7,33,62,881	810069
ICICI Bank	4,60,48,728	4,57,51,835	505189
Yes Bank	2,43,68,188	2,43,68,188	269072
HDFC Bank	39,80,528	39,80,528	43953
Mahindra Finance	21,84,065	21,84,065	24116
<b>Total</b>	<b>31,72,70,133</b>	<b>31,69,73,240</b>	<b>35,00,000</b>

Note: Payment towards personal guarantees shall be upfront over and above the Rs. 3.85 crs upfront payment. Release of personal guarantees however shall be only once entire repayment is done as per the repayment schedule.

**Revised Financial Projections:****Projected Profitability Statement****Rs. Crs**

<b>FY Ending March 31,</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
		<b>Proj</b>	<b>Proj</b>	<b>Proj</b>	<b>Proj</b>
Revenue from Sales					
Vehicles and Accessories	44.74	99.42	109.36	117.01	122.87

Services and Repairs	4.37	9.71	10.68	11.38	12.52
<b>Total Revenues</b>	<b>49.11</b>	<b>109.13</b>	<b>120.04</b>	<b>128.39</b>	<b>135.38</b>
Other Income					
Interest on FD					
Insurance/ Finance Commission	0.67	1.48	1.83	2.20	2.64
Misc Income*	0.14	0.30	0.50	0.60	0.72
<b>Total Income</b>	<b>49.91</b>	<b>110.91</b>	<b>122.37</b>	<b>131.19</b>	<b>138.74</b>
*Registration, Number Plates, Balance W/back etc.					
Expenses					
Purchase of Stock in Trade	46.58	103.50	114.00	120.00	126.00
Employee Benefit Expenses	1.58	3.50	3.50	4.20	4.62
Other Expenses	1.62	3.60	3.60	4.32	4.75
<b>Total Expenses</b>	<b>49.77</b>	<b>110.60</b>	<b>121.10</b>	<b>128.52</b>	<b>135.37</b>
<b>EBIDTA</b>	<b>0.14</b>	<b>0.31</b>	<b>1.27</b>	<b>2.67</b>	<b>3.36</b>
<b>EBIDTA %</b>	<b>0.28%</b>	<b>0.28%</b>	<b>1.04%</b>	<b>2.03%</b>	<b>2.42%</b>
Interest	0.24	0.54	0.60	0.66	0.72
Depreciation	0.18	0.40	0.40	0.40	0.40
PBT	-0.28	-0.63	0.28	1.61	2.24
Tax	0.00	0.00	0.00	0.00	0.00
Net Profit	-0.28	-0.63	0.28	1.61	2.24

**Projected Balance Sheet****Amt in  
Rs Cr**

<b>FY Ending March 31</b>	<b>As on 30/09/2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	Prov.	Proj	Proj	Proj	Proj	Proj
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' Funds</b>						
Share Capital	6.20	6.20	6.20	6.20	6.20	6.20
Reserves and Surplus	-9.60	-9.88	-10.51	-10.24	-8.63	-6.38
<b>Non-Current Liabilities</b>						
Long Term Borrowings	2.70	2.70	2.70	2.70	1.40	-
RA Funds Infusion		3.85	4.85	5.85	6.85	7.85
<b>Current Liabilities</b>						
Trade Advances / Working Capital	-	3.00	5.00	5.00	5.00	5.00
Trade Payables	-	0.30	0.50	0.55	0.61	0.67
Other Current Liabilities	6.30	2.45	1.45	0.45	-	-
<b>TOTAL LIABILITIES</b>	<b>5.60</b>	<b>8.62</b>	<b>10.19</b>	<b>10.51</b>	<b>11.43</b>	<b>13.33</b>
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Fixed Assets						
Tangible Assets	4.00	3.82	3.42	3.02	2.62	2.22
Long Term Loans and Advances	-	-	-	-	-	-
<b>Current Assets</b>						
Inventories	0.50	3.50	5.50	6.05	6.66	7.32

Trade Receivables	1.00	1.00	1.00	1.10	1.21	1.33
<i>Less than 6M</i>		-	0.50	1.10	1.21	1.33
<i>More than 6M</i>	1.00	1.00	0.50	-	-	-
Cash and Cash Equivalents	0.10	0.30	0.27	0.34	0.94	2.46
<b>TOTAL ASSETS</b>	<b>5.60</b>	<b>8.62</b>	<b>10.19</b>	<b>10.51</b>	<b>11.43</b>	<b>13.33</b>

**Projected Cash Flows****Rs Cr**

<b>FY Ending March 31,</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
	<b>Proj</b>	<b>Proj</b>	<b>Proj</b>	<b>Proj</b>	<b>Proj</b>	
<b>Inflows</b>						
Funds Raised by RA	3.85	1.00	1.00	1.00	1.00	<b>7.85</b>
Funds raised for WC	3.00	2.00	-	-	-	<b>5.00</b>
EBIDTA	0.14	0.31	1.27	2.67	3.36	<b>7.76</b>
(Incr)/ Decr in Current Assets	-3.00	-2.00	-0.65	-0.72	-0.79	<b>-7.15</b>
(Incr)/ Decr in Current Liabilities	0.30	0.20	0.05	0.06	0.06	<b>0.67</b>
<b>Total Inflows</b>	<b>4.29</b>	<b>1.51</b>	<b>1.67</b>	<b>3.01</b>	<b>3.64</b>	<b>14.12</b>
<b>Outflows</b>						
Resolution Plan Payments	-	-	-	-1.30	-1.40	<b>-2.70</b>
CIRP Costs	-3.85	-1.00	-1.00	-0.45	-	<b>-6.30</b>
Interest on Working Capital	-0.24	-0.54	-0.60	-0.66	-0.72	<b>-2.77</b>
<b>Total Outflows</b>	<b>-4.09</b>	<b>-1.54</b>	<b>-1.60</b>	<b>-2.41</b>	<b>-2.12</b>	<b>-11.77</b>
<b>Opening Cash Balance</b>	<b>0.10</b>	<b>0.30</b>	<b>0.27</b>	<b>0.34</b>	<b>0.94</b>	<b>2.46</b>
<b>Surplus/ (Deficit)</b>	<b>0.20</b>	<b>-0.03</b>	<b>0.08</b>	<b>0.60</b>	<b>1.52</b>	<b>2.36</b>
<b>Closing Cash Balance</b>	<b>0.30</b>	<b>0.27</b>	<b>0.34</b>	<b>0.94</b>	<b>2.46</b>	<b>4.82</b>

**Note:** Lenders payment is dependent only to the tune of Rs. 1.15 crores at the 42<sup>nd</sup> month from cash infusion date as balance money is being borrowed by Mr. Rajeev Arora and paid to the lenders. Revised support letters from both Mr. Lalit Gulati and Red Ribbon Asset Management are annexed.

In order to further reduce the lumpiness of repayments to lenders towards the end and ensure that lenders get an early exit as compared to what is proposed in this plan, we further propose that post resolution, if there is any surplus EBITDA as compared to projected above or recovery from any of the debtors of the company, 75% such surplus may be utilized towards early retirement of debts of the financial creditors. Further, any savings in the CIRP costs as narrated in the addendum above too will support the cash flows available for repayment to the financial creditors and reduce dependence on internal accruals..

**REVISED SCHEDULE – 2: TIMELINES AND IMPLEMENTATION SCHEDULE**

<b>Step</b>	<b>Process</b>	<b>Timeline</b>
5.	Identification of the Monitoring Agency for implementation of the Resolution Plan from the NCLT Approval Date up to the Upfront Cash Infusion Date	After COC Approval
6.	Receipt of the certified copy of the order of the NCLT sanctioning the Resolution Plan and fulfilment of conditions prescribed, if any, by NCLT in its said order	X
7.	a. Upfront Cash Payment. b. Standalone Capital Reduction. c. Issuance/ allotment of 100% Equity Shares to the Resolution Applicant; d. The Resolution Applicant shall reconstitute the board of directors of the Corporate Debtor;  All of the above shall happen simultaneously.	- X + 90 days ("Y")
8.	Balance Consideration Payment Tranche of Rs. 5.15 crores	As Distribution of payment towards Resolution of the company mentioned above in this addendum

All the days set out above are Business Days only

Regards,

Rajeev Arora

Resolution Applicant.

## FINDINGS

1. We have gone through the resolution plan which is as shown above. We have also heard all the parties concerned in detail and taken all their submissions into account and accordingly following are the observations.
2. The Resolution Plan has been approved by the CoC with 77% majority which is much higher than the required minimum percentage. The RP has enclosed a compliance certificate as prescribed under Regulation 39(4) of CIRP Regulations, at page 491 of the application stating that, the resolution plan of the resolution applicant provides for and is in compliance with the provisions of the Code and Regulations.
3. The Hon'ble Supreme Court in the case of "K. Sashidhar vs. Indian Overseas Bank" (2019 SCC OnLine SC 257) at para 49 of the Judgement held as below:
  - i. *"49. The argument, though attractive at the first blush, but if accepted, would require us to re-write the provisions of the I&B Code. It would also result in doing violence to the legislative intent of having consciously not stipulated that as a ground - to challenge the commercial wisdom of the minority (dissenting) financial creditors. Concededly, the process of resolution plan is necessitated in respect of corporate debtors in whom their financial creditors have lost hope of recovery and who have turned into non-performer or a chronic defaulter. The fact that the concerned corporate debtor was still able to carry on its business activities does not obligate the financial creditors to postpone the recovery of the debt due or to prolong their losses indefinitely. Be that as it may, the scope of enquiry and the grounds on which the decision of "approval" of the resolution plan by the CoC can be interfered with by the adjudicating authority (NCLT), has been set out in Section 31(1) read with Section 30(2) and by the appellate tribunal (NCLAT) under Section 32 read with Section 61(3) of the I&B Code. No corresponding provision has been envisaged by the legislature to empower the resolution professional, the adjudicating authority (NCLT) or for that matter the appellate authority (NCLAT), to reverse the "commercial decision" of the CoC much less of the*

*dissenting financial creditors for not supporting the proposed resolution plan. Whereas, from the legislative history there is contra indication that the commercial or business decisions of the financial creditors are not open to any judicial review by the adjudicating authority or the appellate authority.”*

4. We are of the opinion that by virtue of mandatory contents of resolution plan, the same is in accordance with Section 30 and 31 of the Code, and also complies with the requirement of the Regulations 38 and 39 of CIRP Regulations.
5. Therefore, when the provision of law and the law laid down by the Hon'ble Supreme Court is applied to the case on hand, it becomes clear that this resolution plan approved by the COC with the required majority, satisfies all the criteria required for approval of Resolution Plan and accordingly the resolution plan is approved.
6. The resolution applicant in its resolution plan, has dealt with interests of all stakeholders of the corporate debtor, including the Financial Creditors, the Operational Creditors and the CIRP cost.
7. Any relief sought for in the resolution plan, where the contract/agreement/understanding/proceedings/actions/notice etc. is not specifically identified or is for future and contingent liability, is at this moment rejected.
8. The resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the IBBI to be recorded on its database.
9. The Resolution Professional to carry out all the necessary compliances required and thereafter be discharged of his duties after handing over the affairs of the Corporate debtor to the resolution applicant. The resolution applicant, on taking control of the corporate debtor, shall ensure compliance under all applicable law for the time being in force.

10. We shall clarify here that any resolution applicant shall take over the corporate debtor with all its assets and liabilities as per terms of the approved resolution plan. If any relief concerning any identified liability of the corporate debtor is required, then that needs to be specifically mentioned and sought for in the resolution plan. This bench cannot allow any general power to any resolution applicant absolving him of liability of the corporate debtor company without knowing about the liability against which such exemption is sought. In other words, reliefs/exemptions from only existing liabilities which are specifically identified can be sought and allowed in the resolution plan.
11. On perusal of the resolution plan, we find that the resolution plan has necessary provisions for its effective implementation.
12. It is seen that the Resolution Plan seeks several Dispensations, concessions, and Waivers. Approval of Resolution Plan does not mean automatic Waivers. The Resolution Applicant on approval of the plan may approach those competent authorities/courts/legal forms/office(s) Government or Semi-Government /State or Central Government for appropriate relief(s) sought in the plan.
13. The resolution applicant shall obtain the necessary approval required under any law for the time being in force within one year from the date of this order or within such period as provided for in such law, whichever is later.
14. Given the above observations, we approve the resolution plan with modifications, as mentioned above, which shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors, Resolution Applicant and other stakeholders involved in the resolution plan.

15. The Resolution Plan along with the addendums therein and as approved by the CoC with respect to the company as well as the personal guarantee of the promoters, is at this moment approved, subject to the submission of additional affidavit for acceptance of the modifications in the Resolution Plan and other informations as per directions and observations above, under section 31(1) of IBC. The MA 773/2019 is accordingly allowed and disposed of.

**Sd/-**

**SHYAM BABU GAUTAM**

Member (Technical)

**Sd/-**

**VENKATA SUBBA RAO HARI**

Member (Judicial)

**Date: 09.09.2020**

/Sneha Botwe/