

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

**MA 3351 of 2019 in  
CP No. 1758/I&BC/MB/MAH/2017**

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

*In the matter of*

**Libord Securities Ltd**  
Versus  
**Noble Explochem Ltd**

Ms Prajakta Menezes .....Applicant/ Resolution Professional

**Order delivered on: 22.01.2020**

**Coram:**

Hon'ble Member (Judicial) : Mr. Rajasekhar V.K  
Hon'ble Member (Technical) : Mr. Chandra Bhan Singh

**Appearances:**

G. Anirudh Purusothaman, Advocate for the Resolution Professional

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

**ORDER**

1. An Application has been moved on 14.10.2019 by the Learned Resolution Professional by invoking the Provisions of Section 30(6) of the Insolvency & Bankruptcy Code, 2016 read with Regulation 39(4) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) 2016 for approval of a Resolution Plan. On receiving this Application along with Resolution Plan an Order is hereunder passed as prescribed **U/s 31(1) of The Code.**
2. The Applicant/Libord Securities Ltd had filed a Petition against the Corporate Debtor Noble Explochem Ltd by invoking the Provisions of Section 7 of The Code read with Rule 4 of The Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules 2016.
3. After considering the merits of the case, the said Petition was **admitted** vide an **Order dated 14.05.2018 (CP(IB)No.1758/MB/2017).** Mr. Manoj Sehgal was

appointed as the Interim Resolution Professional (IRP). The said IRP was replaced by Ms. Prajakta Menezes vide Order dated 07.03.2019 as Resolution Professional of the Corporate Debtor, confirmed in the Second CoC meeting dated 01.03.2019.

4. Pursuant to the third CoC meeting dated 22.04.2019, the Applicant submitted Form -G – Invitation for Expression of Interest (EOI) of Resolution Plan which was published on 18.05.2019.
5. Thereafter, the RP sought extension of CIRP period and exclusion of certain period, which was granted by this Bench vide order dated 15.07.2019. The Bench ordered that the CIRP of the Corporate Debtor shall expire on 15.10.2019.
6. The Applicant submits that seven Prospective Resolution Applicants submitted their EOI pursuant to the Publication of Form-G dated 18.05.2019 wherein the last date of submission of Resolution Plan was 01.08.2019. On request of certain Resolution Applicants and after seeking the approval of COC the last date for submissions of plan was extended to 19.8.2019.
7. The CoC approved the process memorandum in its 5<sup>th</sup> meeting. It is further stated by the RP that the Resolution Plans were received from four Resolution Applicants by the due date of 19.08.2019. The plans were evaluated for Compliance with the Provisions of the Code. In the 8<sup>th</sup> CoC meeting of 24.09.2019, the RP states that only 'IPCA Laboratories Ltd' submitted the revised Resolution Plan and further time was sought by two other Resolution Applicants for submission of Resolution Plan. The CoC agreed and the last date to submit revised Resolution Plans was extended till 30.09.2019.
8. In the 9<sup>th</sup> Coc meeting dated 1.10.2019, the revised Resolution Plans were submitted by 'IPCA Laboratories Ltd' (herein after referred to as "IPCA") and 'Solar Industries India Ltd' (herein after referred to as "Solar").
9. In the 10<sup>th</sup> Coc meeting dated 4.10.2019, the Resolution plans were discussed according to the evaluation matrix. The revised resolution plan of IPCA was assigned 93 marks and that of Solar was assigned 71 marks. The Coc hence

approved the resolution plan of IPCA by 100% voting rights as per section 30(4) of the I&B Code. It is noted that the Resolution plan of Solar was rejected as upfront payment proposed by IPCA is Rs 69 Crore in 15 days whereas Solar has offered Rs 51 Crore in 30 days.

10. The RP states that the successful Resolution Applicant/IPCA has submitted a certificate of eligibility u/s 29A of the I&B Code. Further, the RP had Appointed 2 Independent valuers, i) Mr Sanjay Dayal and ii) M/s K.G. Somani and Co., to ascertain the Liquidation value and Fair market value of the Corporate Debtor. As per the valuation reports, the average liquidation value of the Corporate Debtor is stated to be Rs 51,86,98,853/- and the average fair market value is stated to be Rs 75,89,29,099/- .
11. Summary of payments under the Plan vis vis admitted is as below:

(Amt INR in lakhs)

Sl. No.	Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount Provided to the Amount Claimed* (%)
1	Secured Financial Creditors	-	-	-	
2	Unsecured Financial Creditors	10798.18	10612.02	5730.49	53.99
3	Operational Creditors (including Statutory authorities)	1537.59	1401.13# (370.48 plus 1030.65)	126.74	9.05
	Workmen and Employees	2243.51	1534.79**	832.77	54.25
4	Other- Insolvency Resolution Process Cost	-	-	210.00***	-
	<b>Total</b>	<b>14579.28</b>	<b>12517.29</b>	<b>6900.00</b>	

Notes:

\*Percentage computed is of amount provided under plan to claim admitted.

\*\*\* or at actuals.

# Claim received from Commissioner of Customs amounting to INR 525.06 lakhs and from Tahsildar Seloo of INR 505.59 lakhs are pending verification as necessary clarification

*from respective claimants is awaited. However, for the purposes of the Resolution Plan, these claims (total INR 1030.65 lakhs) have been deemed to be admitted in full.*

12. The CoC of the Corporate Debtor constitutes the following financial creditors and their voting share is given herein below:

<b>Sr. No.</b>	<b>FINANCIAL CREDITOR</b>	<b>VOTING SHARE (%)</b>
1.	Yatish Trading Company Private Limited	88.53%
2.	DIL Limited	11.47%
	<b>Total</b>	<b>100%</b>

13. The RP states that the Resolution Applicant has submitted an affidavit confirming that it is not prevented from submitting the resolution plan as a result of S. 29A, IBC. The Resolution Professional has annexed a certificate under Regulation 39(4) of the CIRP Regulations to certify that the resolution plan as approved by the CoC meets all the requirements of the IBC and Regulations thereunder.
14. The eligibility of the resolution applicant under section 29A of the I&B Code has been looked into. It can be seen from the affidavit of Resolution Applicant under section 29A that the Resolution Applicant is not ineligible under section 29A to submit a Resolution Plan for the Corporate Debtor.
15. The Applicant has duly submitted Form H stating that the resolution plan is compliant of the provisions of the code. The Applicant has preferred the present application for approval of the resolution plan by this Adjudicating Authority.
16. The details of the Resolution Plan as approved by CoC are as under:

**Resolution Plan for**

**Noble Explochem Limited**

(pursuant to the Insolvency and Bankruptcy Code, 2016)

by

**IPCA Laboratories Limited**

Dated: October 3, 2019

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## PART A: DEFINITIONS, BACKGROUND AND LIQUIDATION VALUE

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Resolution Plan:

“**Business Day**” means a day (not being a Saturday or Sunday or a public holiday) when banks in Maharashtra are open for general banking business;

“**CIR Regulations**” means the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process against Corporate Persons) Regulations, 2016;

“**CoC**” means the committee of financial creditors that has been constituted pursuant to Section 21 of the Code. The list of financial creditors that constitute the CoC, as per the Information Memorandum dated July 2019 is more particularly set out in **Schedule 1 (Members of the CoC)**;

“**Code**” means the Insolvency and Bankruptcy Code, 2016 including the Insolvency & Bankruptcy Code, (Amendment) Act, 2019 which came into force on 6<sup>th</sup> August 2019;

“**Completion Date**” means the date on which all measures specified in Part F of this Plan have been implemented, being a day no later than 15 days from the Effective Date or such other date as may be mutually agreed between the Resolution Applicant and the members of the CoC who consent to this Resolution Plan;

“**Corporate Debtor**” or “**Company**” means Noble Explochem Limited, incorporated in India with corporate identity number:L24292MH1982PLC026728;

“**Companies Act**” means the Companies Act, 2013 or the Companies Act, 1956 to the extent applicable, as the case may be;

“**Designated Account**” means such account to be set up by the Resolution Applicant/Corporate Debtor as may be mutually agreed between the Resolution Applicant and the members of the CoC;

“**Effective Date**” is defined in Clause 15.9;

“**Group**” with reference to any entity is any affiliate, parent, subsidiary, holding company, associate or promoter of that entity;

“**IRP**” is defined in Clause 2.1(iii);

“**IC Date**” means the insolvency commencement date, i.e. May 14, 2018;

“**ICDR Regulations**” means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

“**Information Memorandum**” means the information memorandum dated July 2019 prepared by the Resolution Professional pursuant to Regulation 36 of the CIR Regulations, and made available to the Resolution Applicant;

“**Interim Period**” is defined in Clause 18.1;

“**IRPC**” have the meaning assigned to ‘insolvency resolution process costs’ under the Code read with the CIR Regulations;

“**Monitoring Agency**” is defined in Clause 18.1(a);

“**NCLT**” means the National Company Law Tribunal;

“**NCLAT**” means the National Company Law Appellate Tribunal;

“**Operational Creditors**” is defined in Clause 7.3(a);

“**Reconstituted Board**” means the board of directors of the Corporate Debtor, reconstituted in accordance with Clause 19.4(b);

“**Resolution Applicant**” means IPCA Laboratories Limited incorporated in India with corporate identity number: L24239MH1949PLC007837;

“**Resolution Plan**” or “**Plan**” means this resolution plan dated August 16, 2019 submitted to the Resolution Professional and the CoC for the proposed insolvency resolution of the Corporate Debtor in accordance with the Code read with its schedules and annexure, along with modifications and amendments (if any) as mutually agreed with CoC and to be approved by the CoC and the Adjudicating Authority in accordance with applicable laws;

“**Resolution Professional**” means Adv. Prajakta Menezes, having Registration No. IBBI/IPA-001/IPP01349/2018-19/12016, who has been appointed as the resolution professional for the Corporate Debtor and shall include any other resolution professional appointed to conduct the CIRP of the Corporate Debtor in her place and stead, as per Section 27 of the Code;

“**SEBI**” means the Securities and Exchange Board of India;

“**Total Consideration**” means the maximum consideration stated in clause 7.1(a) payable under this resolution plan to various stake holders of the Corporate Debtor in full settlement of the liabilities to them, in accordance with this Resolution Plan, whether their claims have been received or not received, crystallised or un-crystallised, known or unknown, liquidated or unliquidated, contingent or otherwise;

“**Financial Creditors**” is defined in Clause 7.4(1);

## 1.2 Interpretation

The interpretation provisions set-out in **Schedule 2 (Interpretation)** apply to this Resolution Plan.

## 2. BACKGROUND

### 2.1 Corporate insolvency resolution process

- (i) This Resolution Plan is submitted by the Resolution Applicant pursuant to the Code, for the corporate insolvency resolution of the Corporate Debtor.

- (ii) The corporate insolvency resolution process involving the Corporate Debtor was initiated pursuant to a petition under Section 9 of the Code, filed by M/s. Libord Securities Ltd. before the NCLT, Mumbai Bench titled Libord Securities Limited vs Noble Explochem Limited [CP 1758/I&BC/NCLT/MAH/2017]. The petition was admitted by the NCLT pursuant to an order dated 14 May 2018.
- (iii) NCLT appointed Mr. Manoj Sehgal, an insolvency professional with registration number: IBBI/IPA-002/IP-N00108/2017-18/10256 as the interim resolution professional (“**IRP**”) with effect from May 14, 2018. The IRP subsequently made public announcements in the newspapers regarding initiation of the corporate insolvency resolution process and called for proof of claims from the financial and operational creditors, workers and employees of the Corporate Debtor in the specified forms.
- (iv) The CoC was constituted by the IRP. In the second CoC meeting held on March 1, 2019, the CoC appointed Adv. Prajakta Menezes, having registration no. IBBI/IPA-001/IP01349/2018-19/12016, as the Resolution Professional (“**RP**”).
- (v) The RP prepared the Information Memorandum that was made available to the Resolution Applicant.

## 2.2 The Corporate Debtor

- (i) The Corporate Debtor is a listed public company incorporated in India bearing CIN - L24292MH1982PLC026728 and has its registered office at Plot No. 54/B, Shree Tower, Shankar Nagar, Nagpur - 440010. As per information available on the website of the Bombay Stock Exchange (“**BSE**”) the shares of the Corporate Debtor were last traded on 18 February 2018 and since then have been “suspended due to penal reasons”.
- (ii) The Corporate Debtor was incorporated on March 22, 1982. The authorised share capital of the Corporate Debtor is Rs. 19,22,81,000 and the paid-up equity share capital of the Corporate Debtor is Rs. 19,22,81,000.

## 2.3 Shareholding

- (i) As per data available on BSE website, the Corporate Debtor had 11,286 equity shareholders as on June 30, 2019. The promoter and promoter group hold 13.08% of the paid up equity share capital of the Corporate Debtor.
- (ii) The remaining 86.92% of the equity share capital is held by public shareholders. Particulars of the shareholders of the Corporate Debtor, as obtained from the BSE website is attached as **Schedule 3 (Existing Shareholders of the Corporate Debtor)**.

## 2.4 Directors

The particulars of directors of the Corporate Debtor as per the details provided in the Information Memorandum are set-out below. Pursuant to Sections 17 and 23 of the Code, the powers of the board of directors of the Corporate Debtor are suspended with effect from the IC Date.

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>DIN</b>
1.	Tikamchand Kothari	Wholetime Director	01810966
2.	Ramesh Kothari Bhimraj	Managing Director	02070787
3.	Shyam Sharma Sunder	Director	02076779
4.	Rajeshkumar Ladliprasad Joshi	Director	02138724
5.	Vinda Madhao Warhadpande	Wholetime Director	06973719
6.	Ishwar Raka Dharamchand	Director	08005159

## PART B: RESOLUTION APPLICANT AND CREDENTIALS

### 3. PARTICULARS OF THE RESOLUTION APPLICANT

#### 3.1 Identity

- (i) The corporate identity number of the Resolution Applicant is L24239MH1949PLC007837, and its registered address is at 48 Kandivali Industrial Estate Kandivali (W) Mumbai - 400067.
- (ii) Ipca Laboratories Ltd (IPCA) is a fully integrated pharmaceutical company, manufacturing over 350 formulations and 80 APIs for various therapeutic segments. IPCA is one of the world's largest manufacturers and suppliers of over a dozen APIs which are produced at manufacturing facilities inspected by the global drug regulatory authorities like US-FDA, UK-MHRA, EDQM-Europe, WHO-Geneva and many more. IPCA is a therapy leader in for anti-malarials with a market-share of over 34% with a fast-expanding presence in the international market. IPCA also leads in DMARDs (Disease Modifying Anti-Rheumatic Drugs) treatment for rheumatoid arthritis. IPCA has leading brands in 5 therapeutic areas, with 3 of the branded formulations being ranked among the Top-300 Indian brands by ORG-IMS. IPCA has a global presence in over 120 countries and in markets as diverse as Africa, Asia, Australia, Europe and the US and its international clients includes global pharmaceutical giants like AstraZeneca, GlaxoSmithKline, Merck, Roche and Sanofi Aventis amongst others.
- (iii) A corporate profile audited annual report of financial year 2018-19 and Credit Rating Reports of the Resolution Applicant is attached with this Resolution Plan.
- (iv) The Resolution Applicant has severally authorized Mr. Ajit Kumar Jain, Joint Managing Director, Mr. Pranay Godha, Executive Director and Mr. Prashant Godha, Executive Director, to take all steps necessary for the submission of and further actions in connection to this Resolution Plan in accordance with the terms of the RFRP dated 2<sup>nd</sup> July 2019, vide Board Resolution passed by the Board of Directors of IPCA Laboratories dated 13<sup>th</sup> August 2019.
- (v) In line with Regulation 38(1B) CIR Regulations, the Resolution Applicant or any of its related parties have not 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

#### 3.2 Details of the Resolution Applicant and Connected Persons

All disclosures/confirmation/information to be provided by the Resolution Applicant under Regulation 38(3) of the CIR Regulations, including particulars of promoter, persons in management/control (Vice Chairman & Managing Director and Whole-time Director) and other connected persons of the Resolution Applicant have been provided, as per the records of the Resolution Applicant, by the Resolution Applicant and have been annexed by way of an affidavit by the Resolution Applicant along with this Plan. The Resolution Applicant reserves the right to update/modify/supplement this information as necessary in the event that another entity is proposed by the Resolution Applicant, being an entity forming part

of the Group, and such information, if submitted will be deemed to form part of the Resolution Plan.

### 3.3 **No disqualification under section 29A of the Code**

The Resolution Applicant does not suffer from any ineligibility under Sec 29(A) of the Code. In the future event, if the Resolution Applicant suffers from any ineligibility under Sec29(A) of the Code, the same shall be communicated to the Resolution Professional.

### 3.4 **Promoters of the Corporate Debtor**

- (i) In relation to the disclosure regarding “persons who will be promoters or in the management or control of the business of the Corporate Debtor during the implementation of the Resolution Plan”, please note that from the Effective Date and until the Completion Date, the Monitoring Agency will be in the management and control of the business of the Corporate Debtor.
- (ii) With effect from the Completion Date, the Corporate Debtor shall be merged with the Resolution Applicant and the promoter of the Resolution Applicant shall be in management and control of the business of the Corporate Debtor, as described in Clause 20.

### 3.5 **Credibility of the Resolution Applicant**

The particulars regarding credibility of the Resolution Applicant is set out in Schedule 6 (**Credibility of the Resolution Applicant**) and the details of the experienced persons in management of the Resolution Applicant are set out in **Schedule 7 (Details of management of the Resolution Applicant and management of the Corporate Debtor post acquisition of control by the Resolution Applicant)**.

**PART C: MERGETHE CORPORATE DEBTOR WITH THE RESOLUTION APPLICANT THROUGH THE CORPORATE INSOLVENCY RESOLUTION PROCESS**

## 4. **BASIS OF PREPARATION**

- 4.1 The preparation of the Resolution Plan is based on the Information Memorandum dated July 2019 provided to the Resolution Applicant by the Resolution Professional. If, at any time before or after submission of this Resolution Plan, should the information on the basis of which this Resolution Plan has been prepared, change, or new information becomes available, or if there is a material adverse change i.e. shall there have occurred any fact, matter, event, circumstance, condition or change which materially and adversely affects, or could reasonably be expected to materially and adversely affect, individually or in aggregate, the business, operations, assets, liabilities, conditions (whether financial, trading or otherwise), prospects or operating results of the Corporate Debtor, the Resolution Applicant shall have the right to reconsider, revise and/or withdraw the Resolution Plan on assessment of such additional information and/or make a fresh submission of resolution plan at its sole discretion. The title search and verification report dated 5<sup>th</sup> December 2003 shared by the Resolution Professional provides the details of the

old and new survey numbers of the freehold land in the name of the corporate debtor at Mouza Dhamangaon admeasuring 114.96 HR and Mouza Dongargaon admeasuring 162.94 HR, at Tashil Seloo, District Wardha totalling to 277.90 HR. The details of the such survey numbers are provided in **Schedule 10**

4.2 The Resolution Applicant shall have conducted a title due diligence in respect of the Corporate Debtor to its satisfaction as follows:

- (i) shall have ascertained that all documents of title, deeds and writings in respect of all immovable properties of the Corporate Debtor, including properties situated at Village Hingni in Wardha District in the state of Maharashtra are complete title documents constituting all immovable properties held in the name of Corporate Debtor, wherever situated
- (ii) whether or not the properties situated at Village Hingni in Wardha District in the state of Maharashtra together with the buildings and other structures and that no other charge exists on such properties other than in favour of the Financial Creditors who are part of the Committee of Creditor (“CoC”).
- (iii) the Resolution Applicant shall have obtained title due diligence reports from the Revenue Courts having jurisdiction for the purpose of ascertaining the title of the immovable properties existing in the name of Corporate Debtor.
- (iv) the Resolution Applicant shall have conducted necessary searches and shall have made all enquiries in order to ascertain that there are no suits/litigations/attachments and/or any other proceedings pending in respect of immovable properties by any third party with regard to any dispute or claim on the title of the immovable properties owned by the Corporate Debtor other than those disclosed in the Information Memorandum dated July 2019.

5. **EARNEST MONEY DEPOSIT (EMD)**

As per clause 1.10.1 of the Request for Resolution Plan (“RFRP”) dated July 2, 2019, the Resolution Applicant undertakes to provide Earnest Money Deposit of Rs. 50,00,000 (Rupee Fifty Lakhs) in the form of Bank Guarantee in the format VIII provided in the RFRP

6. **PERFORMANCE BANK GUARANTEE (PBG)**

As per clause 1.10.3 of the Request for Resolution Plan dated July 2, 2019, the Resolution Applicant, if successful, undertakes to provide an irrevocable and unconditional performance bank guarantee issued by a scheduled commercial bank of an amount aggregating to the sum total of 5% (five percent) of the Total Consideration offered under the resolution plan, amounting to **Rs. 3,45,00,000**

**(Rupees Three Crore Forty Five Lakh)**, within 5 (five) working days of issuance of LOI by the Resolution Professional.

The PBG will be provided in the form of Bank Guarantee substantially as per format VIIIA of the RFRP.

## 7. PAYMENTS AND FULL AND FINAL SETTLEMENT OF ALL CLAIMS

### 7.1 Total Consideration to Stakeholders

- (a) The Resolution Applicant proposes a Total Consideration of **Rs. 69,00,00,000 (Rupees Sixty Nine Crore)** to all stakeholders, under this Resolution Plan. In no event the Total Consideration for the claims or liabilities recognized in this Resolution Plan shall exceed **Rs. 69,00,00,000 (Rupees Sixty Nine Crore)**

### 7.2 Insolvency resolution process cost

- (a) The Resolution Professional has informed the Resolution Applicant that the estimated IRPC (budgeted till March 2020) is likely to be **Rs. 210 Lakhs (Rupees Two Hundred Ten Lakhs)**.
- (b) Provided however that in the event that the final IRPC as on the Effective Date, exceed **Rs. 210 Lakhs (Rupees Two Hundred and Ten Lakhs)**, the amounts payable to the creditors including but not limited to operational creditor, financial creditors, employees and workmen under this Resolution Plan may be adjusted accordingly.
- (c) On the Effective Date, the Resolution Professional shall provide a certified statement containing details of the IRPC to the Resolution Applicant.
- (d) Section 30(2)(a) of the Code requires payment of IRPC in priority to the payment of other debts of the Corporate Debtor. The IRPC shall be paid within **15 (Fifteen)** days from the date of the receipt of the certified copy of the approval of this Plan from the Hon'ble NCLT

### 7.3 Payments to Operational Creditors other than employees, workmen and government agencies

- a) The Information Memorandum dated July 2019, provided by the Resolution Professional to the Resolution Applicant states that the aggregate amount admitted against the claims of operational creditors of the Corporate Debtor ("**Operational Creditors**") other than employees and workmen and including government agencies, as verified by the Resolution Professional is **Rs. 1,401.11 lakhs (Rupees One Thousand Four Hundred One Lakhs and Eleven Thousand)** The details of the dues of the Operational Creditors is set-out at **Schedule 4 (Details of claims of operational creditors)**.
- b) In accordance with amendment Sec 30(2)(b) of the Code, the payment of debts of operational creditors shall not be less than:
  - i. the amount to be paid to Operational Creditors in the event of Liquidation of the Corporate Debtor in accordance with Sec 53 of the Code.

- ii. the amount to that would have been paid to the Operational Creditors, if the same were to be distributed under the Resolution Plan had been distributed in accordance with the order of priority in Sec 53(1) of the Code, in the event of Liquidation.
- c) As per Sec 30(4) of the Code, “The committee of creditors may approve a resolution plan by a vote of not less than sixty-six per cent. of voting share of the financial creditors, after considering its feasibility and viability, the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor and such other requirements as may be specified by the Board”.
- d) It has been proposed, discussed and agreed with the CoC that the Operational Creditors shall be paid an amount of Rs. 126.74 Lakhs (Rupees One Hundred TwentySix Lakhs and Seventy Four Thousand) out of the Total Consideration in settlement of their total claims. The distribution of the consideration to the Operational Creditors shall be in proportion to their admitted claims in accordance to this Resolution Plan.
- e) All amounts payable under sub-clause (d) above shall be included in the Total Consideration to be paid by the Corporate Debtor into a Designated Account and shall be distributed to all such Operational Creditors whose claims are payable under sub-clause (d), on the Completion Date, and upon such payment, the Corporate Debtor shall be deemed to have made all payments required to be made under this Clause 7.3. The amount due to the operational creditors under the Resolution Plan shall be given priority in payment over financial creditors as per Regulation 38(1) of the CIR Regulations.
- f) This Resolution Plan assumes that no additional liability has accrued towards Operational Creditors other than employees and workmen (as set out in Clause 7.3), between the IC Date and the Completion Date, and all such liabilities have been settled by the Resolution Professional, and claimed as IRPC.
- g) Pursuant to approval of the Resolution Plan by the NCLT, the following shall apply to Operational Creditors:
  - (i) 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, penalty and other costs or charges already accrued/ accruing or in connection with any third party claims) any actual or potential Operational Creditors of the Corporate Debtor or in connection with any operational debt of the Corporate Debtor, 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, in relation to any period prior to the Completion Date 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 stand permanently extinguished 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.

- (ii) Any and all rights and entitlements of any actual or potential Operational Creditors of the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall stand permanently extinguished 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.
- (iii) Upon approval of this Resolution Plan by the NCLT, all dues under the provisions of Income Tax Act, 1961, including taxes, duty, penalties, interest, fines, cesses, unpaid tax deducted at source / tax collected at source, whether admitted or not, due or contingent, whether part of above claim of income tax authorities or not, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to any period prior to the Completion Date, shall stand extinguished and the Corporate Debtor shall not be liable to pay any amount against such demand. All, assessments / appellate or other proceedings pending in case of the Corporate Debtor, on the date of the order of NCLT relating to the period prior to that date, shall stand terminated and all consequential liabilities, if any, stand abated and should be considered to be not payable by the Corporate Debtor. All notices proposing to initiate any proceedings against the Corporate Debtor in relation to the period prior to the date of NCLT order and pending on that date, shall stand abated and should not be proceeded against. Post the order of the NCLT, no re-assessment/ revision or any other proceedings under the provisions of the Income Tax Act shall be initiated on the Corporate Debtor in relation to period prior to acquisition of control by the Resolution Applicant and any consequential demand should be considered non-existing and as not payable by the Corporate Debtor. Any proceedings which were kept in abeyance in view of the insolvency process or otherwise shall not be revived post the order of NCLT.
- (iv) Upon approval of this Resolution Plan by the NCLT, all dues under the provisions of all the indirect taxes, including but not limited to, the Central Excise Act, 1944, the Finance Act, 1994 (Service Tax), the Customs Act, 1962, the Central Sales Tax Act, 1956, the Goods and Services Tax Act, 2017 and any other indirect tax laws, including taxes, duty, penalties, interest, fines, cesses, charges, unpaid TDS/ TCS (to the extent applicable), whether admitted or not, due or contingent, whether part of the above mentioned contingent liability schedule dues or not, whether claimed by the tax authorities or not, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or

future, in relation to any period prior to the Completion Date, shall stand extinguished and the Corporate Debtor will not be liable to pay any amount against such demand. Upon approval of this Resolution Plan by the NCLT, all outstanding litigations/ demands, assessments/ appellate or other proceedings, including but not limited to any audits, investigations, search and seizure, pending in case of the Corporate Debtor relating to the period prior to the Completion Date, shall stand terminated and all consequential liabilities, if any, will stand abated and shall be considered to be not payable by the Corporate Debtor. All notices proposing to initiate any proceedings against the Corporate Debtor in relation to the period prior to the date of NCLT order and pending on that date, shall be considered deleted and shall not be proceeded against. Post the order of the NCLT, no re-assessment / revision or any other proceedings under the provisions of any of the indirect tax laws should be initiated on the Corporate Debtor in relation to the period prior to acquisition of control by the Resolution Applicant and any consequential demand shall be considered non-existing and as not payable by the Corporate Debtor. Any proceedings which were kept in abeyance in view of insolvency process or otherwise shall not be revived post the order of NCLT.

- (v) Upon approval of this Resolution Plan by the NCLT, all liabilities (including without limitation, for any penalty, interest, fines or fees) or obligations of the Corporate Debtor, in relation to: (A) any investigation, inquiry or show-cause, whether civil or criminal; (B) any non-compliance of provisions of any laws, rules, regulations, directions, notifications, circulars, guidelines, policies, licenses, approvals, consents or permissions; (C) change of control, transfer charges, unearned increase, compensation, or any other such liability whatsoever under any contract, agreement, lease, license, approval, consent, privilege or permission to which the Corporate Debtor or its subsidiaries, joint ventures or associates are entitled; (D) any leasehold rights or freehold rights to movable or immovable properties in the

possession of the Corporate Debtor; (E) any contracts, agreements or commitments made by the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall be written off in full and shall stand permanently extinguished and the Corporate Debtor shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

- (vi) Upon approval of this Resolution Plan by the NCLT, any and all rights and entitlements, recovery, disgorgement, penalty, fees, recoupment of loss of the Central government, the State governments, any

regulatory or local authority or body or any agency or instrumentality thereof or any other party or entity (under any agreement, lease, license, approval, consent, privilege or permission or under statute, rules or regulations), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall stand permanently extinguished 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.

#### 7.4 Debt owed to Financial Creditors

1. As per the paragraph no. 11 of the Information Memorandum dated July 2019, prepared by the Resolution Professional, the admitted claims of Financial Creditors is **Rs. 10,612.02 lakhs (Rupees One Hundred and Six Crore Twelve Lakhs and Two Thousand)**, and this amount is payable to the following financial creditors: Yatish Trading Company Pvt Ltd, DIL Ltd, Tikam Chand Kothari, Ramesh Bhimraj Kothari, Madhukar Ramchandra Chandurkar, Sunil Kothari, Sameer Prakash Maheshwari, Salvia Investment & Traders Pvt Ltd, Prashant Kothari, Piyush Kothari, Ramesh Bhimraj Kothari, Siddharth Creations (collectively the “**Financial Creditors**”).
2. As per Sec 30(4) of the Code, “The committee of creditors may approve a resolution plan by a vote of not less than sixty-six per cent. of voting share of the financial creditors, after considering its feasibility and viability, the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor and such other requirements as may be specified by the Board”
3. It has been proposed, discussed and agreed with the CoC that the claims of the Related and Unrelated Financial Creditors shall be paid an amount of Rs.5,730.49 Lakhs (Rupees Five thousand seven hundred thirty lakhs and fourty nine thousand) to Related and Unrelated Financial Creditors, in the manner as agreed and mentioned in Clause 13.5, out of the Total Consideration in settlement of their total claims (**Refer Exhibit 1 at the end**)
4. Payment Terms: Payment to the dissenting Financial Creditors: The dissenting Financial Creditors (i.e. those Financial Creditors who vote against, or abstain from voting for, the Resolution Plan approved by the CoC) shall be paid an amount not less than an amount to be paid to them in accordance with Sec 53(1) in the event of Liquidation of the Corporate Debtor.
5. In terms of the code, if there any dissenting Financial Creditors, then in such circumstances they shall be paid in accordance with Sec 30(2) along with Sec 53(1) of the Code.

6. All amounts payable under sub-clause (3) and (5) above shall be included in the Total Consideration to be paid by the Corporate Debtor into a Designated Account and shall be distributed to all such Financial Creditors whose claims are payable under sub-clause (3), on the Completion Date, and upon such payment, the Corporate Debtor shall be deemed to have made all payments required to be made under this Clause 7.4.
7. Pursuant to approval of this Resolution Plan by the NCLT, and upon settlement of the claims of the Financial Creditors in accordance with the above sub-clause (3) and (5) in accordance with this Plan the following shall apply to the payments to the Financial Creditors pursuant to this Clause 7.44:
  - (i) The entire debt due to the Financial Creditors shall stand satisfied, settled and extinguished, and no claims whatsoever shall subsist.
  - (ii) The securities for any debt due to the Secured Financial Creditors shall stand unconditionally released and the Secured Financial Creditors shall no longer be entitled to exercise any security interest with respect to any debt, whether or not expressly provided for in this Resolution Plan.
  - (iii) The mortgages/hypothecation as listed as “Open Charges” at page number 33-34 of the Information Memorandum dated July 2019 and all other charges and encumbrances, known and unknown, shall stand unconditionally released and the Financial Creditors shall no longer be entitled to exercise any security interest with respect to any debt, whether or not expressly provided for in this Resolution Plan. The list of Open Charges is listed out in Schedule 11.
  - (iv) The Resolution Applicant assumes that there are no other third party mortgages/hypothecations or any other open charges other than those mentioned in the Information Memorandum dated July, 2019.
  - (v) No cost, interest, charges or the like, penal or otherwise, including in respect of the right to recompense, shall be payable to any Financial Creditor in addition to what is specified in Clause 7.44(1).
  - (vi) Any claim from any person claiming to be a financial creditor of the Corporate Debtor, that has not been filed with the Resolution Professional, or if filed, has not been accepted by the Resolution Professional as payable by the Corporate Debtor, shall stand extinguished and shall no longer be payable.
  - (vii) For the avoidance of doubt, all accrued or unpaid interest, arising on or after the IC Date and until the Completion Date, in relation to the financial debt of the Corporate Debtor will be written off in full and shall be permanently extinguished 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.
  - (viii) Other than as specified in Clause 7.44(1), any and all other claims or demands made by or liabilities or obligations owed or payable to

(including any demand for any losses or damages, principal, interest, compound interest, penal interest, liquidated damages, notional or crystallised mark to market losses on derivatives and other charges already accrued/ accruing or in connection with any third party claims) any actual or potential financial creditors of the Corporate Debtor or in connection with any financial debt of the Corporate Debtor (including any transactions in derivatives), 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 profit and loss statement, the balance sheets of the Corporate Debtor, in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, shall be written off in full and shall stand permanently extinguished 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.

- (ix) Any and all rights and entitlements of any actual or potential financial creditors of the Corporate Debtor not addressed in Clause 7.44(1), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the acquisition of control by the Resolution Applicant 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 stand permanently extinguished 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.
- (x) Any invocation or appropriation or other enforcement action or demand made in respect of any security, guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or collateral provided in connection with any financial debt or any other debt or obligation of the Corporate Debtor, at any time prior to the Completion Date (other than in respect of any personal or corporate guarantees provided by third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor), shall stand automatically abated, discharged, revoked and cancelled and deemed null and void. All liabilities and obligations in relation to any security, guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or collateral provided in connection with any financial debt or any other debt or obligation of the Corporate Debtor, at any time prior to the Completion Date (other than in respect of any personal or corporate guarantees provided by third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor), shall stand permanently extinguished on the approval of this Resolution Plan by the NCLT. It

is hereby clarified that the obligations and liabilities of third parties in relation to personal or corporate guarantees provided by such third parties in connection with financial debt or obligation of the Corporate Debtor at any time prior to the Completion Date shall continue to be enforceable against such third parties (which shall not include the Resolution Applicant).

It is further clarified that the liabilities and obligations of the Corporate Debtor in relation to any personal guarantee or corporate guarantee provided by a third party in connection with any financial debt or any other debt or obligation of the Corporate Debtor, at any time prior to

the Completion Date shall stand permanently extinguished on the approval of this Resolution Plan by the NCLT.

For the purpose hereof, all the corporate guarantees provided by the Corporate Debtor to any third parties prior to the Completion Date, shall stand permanently extinguished on the approval of the Resolution Plan by NCLT. For the avoidance of doubt, it is further clarified that any guarantors who have settled the claims of the lenders and creditors of the Corporate Debtor including the Secured Financial Creditors on behalf of the Corporate Debtor shall not have any claim against the Corporate Debtor and their claims against the Corporate Debtor shall stand permanently extinguished on the approval of this Resolution Plan by NCLT.

- (xi) Any invocation or appropriation or other enforcement action or demand made in respect of any security, guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or collateral provided by the Corporate Debtor in connection with any financial debt or any other debt or obligation of any third party, at any time prior to the Completion Date, shall stand automatically abated, discharged, revoked and cancelled and deemed null and void. All liabilities and obligations in relation to any security, guarantee, letter of credit, letter of undertaking, letter of comfort, letter of awareness, pledge, charge, encumbrance, hypothecation or collateral provided by the Corporate Debtor in connection with any financial debt or any other debt or obligation of any third party, at any time prior to the Completion Date, shall stand permanently extinguished on the approval of this Resolution Plan by the NCLT
- (xii) Subject to applicable laws, the amounts to be paid to the Financial Creditors in terms of this plan shall be included in the Total Consideration to be deposited into the Designated Account to be operated by the Monitoring Agency, on the Completion Date. The Financial Creditors (both assenting and dissenting) shall thereafter issue a certificate of discharge and no-claims to the Corporate Debtor and also return the security documents to the Corporate Debtor and forthwith and unconditionally release all security available to them as

on the Completion Date in connection with any amounts payable to them by the Corporate Debtor(including making all requisite filings with the Registrar of Companies for satisfaction of all charges in respect of such security) including any powers of attorney, pledge of shares, guarantees or other encumbrance issued by the Corporate Debtor, or any third party or any of its promoters (other than any

personal guarantees or corporate guarantees provided by promoters of the Corporate Debtor or third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor).The Financial Creditors shall issue the certificate of discharge within a period of 7 days from the date of receipt of their dues under this Resolution Plan, failing which it shall be deemed that the Financial Creditors have discharged their security interests over the assets of the Corporate Debtor.

## 7.5 Claims admitted in relation to the Workmen & Employees:

- (a) As per the Information Memorandum, the admitted claims of employees and workmen is **Rs. 1534.79 lakhs (Rupees Fifteen Crore Thirty Four Lakhs and Seventy Nine Thousand)**. The details of the dues of the employees is set-out at **Schedule 5(Details of claims of workmen and employees)**.
- (b) As per Sec 30(4) of the Code, “The committee of creditors may approve a resolution plan by a vote of not less than sixty-six per cent. of voting share of the financial creditors, after considering its feasibility and viability, the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor and such other requirements as may be specified by the Board”
- (c) Accordingly, it is proposed, discussed and agreed with the CoC that the claims of the Workmen & Employees including their unpaid Provident Fund, Pension Fund and Gratuity Dues and all such other claims/benefits/dues accrued/admitted/denied, shall be settled at Rs. 832.77 Lakhs (Rupees Eight Hundred Thirty Two Lakhs and Seventy Seven Thousand), which shall be paid out of the Total Consideration to all stakeholders as laid out in this Resolution Plan. The amount due to the workmen and employees under the Resolution Plan shall be given priority in payment over financial creditors as per Regulation 38(1) of the CIR Regulations.
- (d) All amounts payable under sub-clause (c) above shall be included in the Total Consideration to be paid by the Corporate Debtor into a Designated Account and subsequently distributed to such Workers & Employees on the Completion Date, and upon such payment, the Corporate Debtor shall be deemed to have made all payments required to be made under this Clause 7.5. Further, all other past dues of the Workmen & Employees of the Corporate Debtor shall stand discharged.
- (e) This Resolution Plan assumes that no additional liability has accrued towards Workmen & Employees, between the IC Date and the Completion Date, and all such liabilities have been settled by the Resolution Professional operating the Corporate Debtor and claimed as IRPC. If any amounts are payable on this account, then the payments made to creditors other than financial creditors, Workmen & Employees shall be accordingly reduced.
- (f) Upon approval of this Resolution Plan by the NCLT, any and all rights and entitlements of, claims or demands made by or liabilities or obligations owed or payable to, any present or past, direct or indirect, permanent or temporary employee, contract worker and/or workman of the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present or future, in relation to any period prior to the Completion Date or arising on account of
- the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, except for payments contemplated under this Clause 05 shall stand permanently extinguished 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.

## 7.6 Any remaining debts and dues

### (a) Remaining debts and dues

Any liabilities claim and debts, both current and future, arising out of the on-going litigations as mentioned in Section 18 and 19 of the Information Memorandum dated July 2019, shall not be a liability on the Resolution Applicant in the event of adverse outcome. However, the Hon'ble NCLT is at liberty to decide the claim of such parties, by issuing notices to such parties and making them Respondents before approving this Resolution Plan. In any event, the Resolution Applicant shall not increase the Total Consideration proposed under this Resolution Plan, towards any liabilities arising in future on account of such on-going or new litigations arising on account of any actions/deeds before the Effective Date.

The Resolution Professional may not have received claims for certain liabilities of the Corporate Debtor as on the IC Date whether arising on account of contractual obligation or otherwise and which are also not identified as liabilities / contingent in financial statements provided in information memorandum. Such liabilities shall be called as "Unidentified Potential Liabilities".

Without prejudice to the rights of the Corporate Debtor to challenge the validity of or any claims relating to such Unidentified Potential Liabilities, such Unidentified Potential Liabilities shall stand extinguished and fully discharged without any monetary payment.

Any remaining claims and debts and other dues from the Corporate Debtor to any person for the period prior to the Effective Date, that is not expressly provided for in this Resolution Plan, including any claims from third parties relating to any contract entered into by the Corporate Debtor including damages on account of termination of such contracts pursuant to this Resolution Plan or claims which are in the nature of recovery, disgorgement, penalty, fees or recoupment of loss, shall be deemed to have been extinguished upon approval of this Resolution Plan, without any liability whatsoever on the Corporate Debtor.

## 7.7 Shareholders and other Persons

In the opinion of the Resolution Applicant, if the Corporate Debtor were to be liquidated on the IC Date, the amount payable to equity shareholders would be NIL, in accordance with Sec 53 of the Code.

Accordingly in line with the Securities & Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations 2018, dated May 31, 2018 ("**Delisting Notification**"), the Resolution Applicant proposes to delist and subsequently cancel the existing share capital of the Corporate Debtor without any considerations/paying of dues to the existing promoters or any other shareholders.

## 8 RIGHT TO RECEIVABLES

8.1 Nothing in this Resolution Plan shall affect the rights of the Resolution Applicant / Corporate Debtor to recover any amounts due to the Corporate Debtor from any third party including any related parties of the Corporate Debtor as defined in Sec 5(24) of the Code, and governmental and statutory authorities as described in the Information Memorandum and there shall be no set off of any such amounts

recoverable by the Corporate Debtor against any amount paid by the Corporate Debtor or any liability discharged, satisfied or extinguished pursuant to this Resolution Plan.

- 8.2 If any person who receives any payment pursuant to this Resolution Plan recovers any additional amount from any third party including but not limited to recovery on account of any guarantees or other securities issued by any third party, then such person shall be liable to pay back such additional amounts to the Corporate Debtor.
- 8.3 Recovery, if any, made pursuant to the order passed by the NCLT under Sec 43 (preferential transactions), Sec 45 (undervalued transactions), Sec 50 (extortionate credit transactions) and Sec 66 (fraudulent transactions) of the Code, shall be exclusive right of the CoC of the Corporate Debtor.

## **9 CURRENCY OF PAYMENT**

All payments proposed to be made pursuant to this Resolution Plan will be in Indian Rupees (₹).

## **10 LIMIT ON LIABILITY**

- 10.1 Notwithstanding anything contained in this Resolution Plan, in no event the total payments by the Resolution Applicant or the Corporate Debtor to its stakeholders, for claims relating to a period prior to the Completion Date (including claims recognised in this Resolution Plan and claims that may arise in future), shall exceed the Total Consideration set out in Clause 7.1 of this Resolution Plan, the Corporate Debtor shall not issue any further securities to the Financial Creditors. As proposed, discussed and agreed with the CoC, all accrued (known/unknown), contingent, admitted, rejected, claims will be satisfied fully as provided for in clause 7.1 of this Resolution Plan and there shall be no changes or further payment to any stakeholder.
- 10.2 Upon the approval of this Resolution Plan by the NCLT, any and all liabilities of the Corporate Debtor and claims against the Corporate Debtor asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to any period prior to the IC Date, shall stand extinguished and the Corporate Debtor and future management, directors, officers and its key managerial personnel (as appointed with effect from the IC Date in accordance with this Plan) will not be liable to pay any amount against any such demand and will not be liable for any other contract, arrangement in any name or manner entered into by erstwhile officers of the Corporate Debtor prior to the IC Date. Provided that any liabilities and claims against the Corporate Debtor crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, which may have arisen from the IC Date till the Completion Date may form part of the Insolvency Resolution Process Cost in accordance with Regulation 31 of CIR Regulations and shall be paid in accordance with clause 7.2.
- 10.3 All claims that may arise in the future, including any claims from dues arising under any law for the time being in force and payable to any person, including a counterparty to a contract or to the Central Government, any State Government or any local authority, resulting from a contract, statute, judicial proceeding or otherwise, whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed, present

or future, in relation to any period prior to the IC Date, shall be subject to the limit specified in this Clause 10 in so far as they relate to the period prior to the IC Date. Provided that any such liabilities and claims against the Corporate Debtor, whether crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, which may have arisen from the IC Date till the Completion Date shall form part of the Insolvency Resolution Process Cost as per Regulation 31 of CIR Regulations and shall be paid in accordance with clause 7.2

## **11 SUBSIDIARY, JOINT-VENTURE AND ASSOCIATE COMPANIES**

11.1 The Resolution Applicant and the Corporate Debtor shall not be liable towards any claims or obligations (present or future, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, disputed or undisputed) towards or relating to the associate companies of the Corporate Debtor, domestic or foreign, subsidiary or joint-venture that relate to a period prior to the Completion Date, including in relation to any undertakings or guarantees issued by the Corporate Debtor for such subsidiary, joint-venture and associate companies, in any manner whatsoever. The Corporate Debtor shall be entitled to substitute and alter the board of directors of its subsidiary, joint-venture and associate companies without requiring any resignation of the previous directors or nominees of the Corporate Debtor on the board of such companies.

## **12 DETAILS OF BUSINESS TURNAROUND OF THE CORPORATE DEBTOR**

12.1 In order to maximise the value of the assets of the Corporate Debtor, the Resolution Applicant envisages to merge the Corporate Debtor with the itself i.e-Ipca Laboratories Ltd.

12.2 A description of the scheme of merger and business turnaround of the Corporate Debtor including introduction of new products / process / services, discontinuation of business segments, if any, are set out in **Schedule 8 (Details of the business turnaround of the Corporate Debtor)**.

## **PART D: SOURCES OF FUNDS AND TREATMENT OF STAKEHOLDERS**

### **13 SOURCES OF FUNDS**

13.1 In this Resolution Plan:

- (a) The total amount of **Rs. 69,00,00,000 (Rupees Sixty Nine Crore)** is proposed to be paid/settled to all stakeholders in cash.
- (b) The aforesaid amount of **Rs. 69,00,00,000 (Rupees Sixty Nine Crore)** will be funded by the internal accruals of the Resolution Applicant.

13.2 The Resolution Applicant confirms that it has sufficient funds to make the payments described in (b) above and/or has the ability to raise such amounts from other sources also.

13.3 The Resolution Applicant, in terms of the audited financial statement as at March 31, 2019, had Rs. 258.69 Crore as Cash & Cash Equivalent and has a Networth of Rs. 3,136.66 Crore.

13.4 The Resolution Applicant retains the right to arrange this funding from various banks or financial institutions or any other lenders. However, under all scenarios the Resolution Applicant shall continue to be promoted, controlled and managed by entities that meet the requirements of the Code.

13.5 The payments proposed to be made under this Plan are as follows:

<b>Sr No.</b>	<b>Description</b>	<b>Amount (in INR Lakhs)</b>
1.	IRP Costs (estimated upto March 2020 or at actuals)	210.00
2.	Operational Creditor & Statutory Liability	126.74
3.	Workmen & Employees	832.77
4.	Financial Creditor – Related	423.49
5.	Financial Creditor – Unrelated	5,307.00
6.	Any Other liability, incl-Contingent liabilities	0.00
<b>TOTAL – A</b>		<b>6,900.00</b>
7.	Supervision and Implementation of Resolution Plan	10.00
8.	Capital Expenditure by Resolution Applicant	27,000.00
9.	Working Capital Margin	2,098.00
<b>TOTAL – B</b>		<b>29,108.00</b>
10.	TOTAL OUTLAY UNDER THE RESOLUTION PLAN (A + B)	<b>36,008.00</b>
<b>SOURCES OF FUND</b>		
1	Internal Accruals, incl: Cash & Cash Equivalent, loans, bonds or debt instruments	<b>36,008.00</b>
<b>Total</b>		<b>36,008.00</b>

## **PART E: ACCOUNTING TREATMENT, ASSUMPTIONS**

### **14 ACCOUNTING TREATMENT**

- (a) The Resolution Professional shall draw-up a statement of accounts as of the date of approval of this Plan by the NCLT and provide the same to the Corporate Debtor and Resolution Applicant. This statement of accounts shall also be audited by the statutory auditor of the Corporate Debtor.

- (b) The Monitoring Agency, pursuant to this Resolution Plan, shall draw up a separate statement of accounts from the Effective Date till the Completion Date.
- (c) Pursuant to the order of the NCLT approving this Resolution Plan, any debit or credit, being the balancing figure, arising as a result of giving effect to this Resolution Plan, will be adjusted by the Corporate Debtor in the capital reserve at its sole discretion in compliance with the applicable accounting standards.

## 15 RELIEFS AND CONCESSIONS SOUGHT BY RESOLUTION APPLICANT

The Resolution Applicant has prepared this Resolution Plan on the basis of certain reliefs and concessions set out below, and has assumed that upon approval of this Resolution Plan by the NCLT, the Corporate Debtor and the Resolution Applicant, as the case may be, shall be entitled to the following, reliefs from the NCLT or other authority

### 15.1 Consents and approvals, authorizations etc

Upon approval of this Resolution Plan by the NCLT, all actions stated in this Resolution Plan shall be deemed to be approved to make the Resolution Plan effective. Accordingly, any action or implementation of this Resolution Plan shall not be a ground for termination of any consents, approvals, licenses, concessions, authorizations, permits or the like that has been granted to the Corporate Debtor or for which the Corporate Debtor has made an application for renewal or grant. An indicative list of consents / certificates / permissions etc is provided under **Schedule 9**.

### 15.2 Licenses/ Approvals/Contractual Rights and Benefits

- (a) The Resolution Applicant has assumed that upon approval of this Resolution Plan by the NCLT and since the Resolution Applicant will merge the Corporate Debtor which has not been in operation for more than 12 years, all subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled or accustomed to (whether applied for renewal by the Corporate Debtor or not).

,shall, notwithstanding any provision to the contrary in their terms, be deemed to continue without disruption for the benefit of the Corporate Debtor for a **period of 2 (two) years** and till such time, the Resolution Applicant will apply for fresh licenses.

- (b) For the avoidance of doubt, it is hereby clarified that all consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled or accustomed to, which have expired as of the Completion Date, shall be deemed to continue without disruption for the benefit of the Corporate Debtor for a period of **12 months** or until renewed by the relevant authorities, whichever is later. Without any liability for the non-compliance during the time specified above, the Resolution Applicant undertakes to cause the Corporate Debtor to expeditiously identify

such expired consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or to which the Corporate Debtor is entitled or accustomed to, evaluate the steps required to address the same and take steps to remedy the same to the extent practically possible.

- (c) The Resolution Applicant has assumed that upon approval of this Resolution Plan by the NCLT, all essential services required by the Corporate Debtor to continue operations shall be restored to the Corporate Debtor by the relevant authorities.
- (d) The Resolution Applicant has also assumed that upon approval of this Resolution Plan by the NCLT, any claims by any person (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) against the Corporate Debtor accruing due to the commencement or pendency of insolvency proceedings against the Corporate Debtor, whether arising under the terms of subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Corporate Debtor or any contractual arrangements entered into by the Corporate Debtor, shall, notwithstanding any provision to the contrary in their terms, stand extinguished without any recourse.

### 15.3 Liability for past actions or omissions

- (a) The Resolution Applicant will acquire control over the Corporate Debtor pursuant to the order of the NCLT and not pursuant to the usual acquisition process which would ordinarily include a detailed due diligence and representation, warranties and indemnities in relation to the affairs of the Corporate Debtor from its existing promoters. Therefore, the Resolution Applicant may take some time to discover all the non-compliances that may exist in relation to the Corporate Debtor on the date of acquisition of control by the Resolution Applicant over the Corporate Debtor. As such the Resolution Applicant may take some time to identify such non-compliances and to address them.
- (b) In light of this, the Resolution Applicant and the Corporate Debtor shall have immunity from any actions and penalties (of any nature) under any laws for any non-compliance of laws in relation to the Corporate Debtor or by the Corporate Debtor, as well as with the terms of any agreement or arrangement entered into by the Corporate Debtor. Without any liability for the aforesaid non-compliance for the past period before the Completion Date, the Resolution Applicant shall endeavor to cause the Corporate Debtor to identify such non-compliances, evaluate the steps required to address such non-compliances and take steps to remedy such non-compliances to the extent practically possible. The Resolution Applicant and the Corporate Debtor shall be entitled to apply to and approach the NCLT for relief for continued implementation of the approved Resolution Plan before or after any coercive action is taken against the Corporate Debtor or the Resolution

Applicant, especially in view of the limited due diligence offered to the Resolution Applicant.

- (c) This Resolution Plan will be implemented pursuant to an order of the NCLT, and all actions stated in this Resolution Plan shall be deemed to be approved by the NCLT. Accordingly, any action or implementation of this Resolution Plan shall not be a ground for termination of any contracts entered into by the Corporate Debtor by the counter party(ies) to such contracts.

#### 15.4 Inquiries, investigations etc.

Upon approval of this Resolution Plan by the NCLT, all inquiries, investigations and proceedings (including before the BIFR), whether civil or criminal, notices, causes of action, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings 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, (including without limitation, any investigation, action, proceeding, prosecution, whether civil or criminal, by the Central Bureau of Investigation, the Enforcement Directorate or any other regulatory or enforcement agency), in relation to any period prior to the IC Date or arising on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan, including in relation to the Bombay Stock Exchange and Securities and Exchange Board of India, shall stand withdrawn or dismissed and all liabilities or obligations in relation thereto, whether or not set out in the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor, will be deemed to have been written off in full and permanently extinguished 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 notwithstanding any adverse order that may be passed in respect of the same by any authority prior to or after the Completion Date. Upon approval of this Resolution Plan by the NCLT, all new inquiries, investigations, whether civil or criminal, notices, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against the Corporate Debtor in relation to any period prior to the acquisition of control by the Resolution Applicant over the Corporate Debtor or on account of the acquisition of control by the Resolution Applicant over the Corporate Debtor pursuant to this Resolution Plan.

#### 15.5 Tax and stamp duty exemptions

- (a) Since this Resolution Plan pertains to the merger of the Corporate Debtor with the Resolution Applicant, thus upon the approval of this Resolution Plan by the NCLT, an exemption shall be deemed to have been granted to the Resolution Applicant from the obligation to pay taxes (in addition to the exemptions granted under the Finance Bill, 2018, when approved) and stamp duty in respect of actions undertaken pursuant to the approval of the Resolution Plan by the NCLT, since such taxes and duties, if required to be paid, will render the Resolution Plan unviable for the Resolution Applicant in monetary terms.

- (b) Accordingly, upon the Resolution Plan being approved by the NCLT, the actions undertaken pursuant to the implementation of the Resolution Plan shall be deemed to be exempt from any tax obligation under various taxing statutes, including but not limited to Sections 50B, 50C, 50CA, 56 and 115JB under the Income-tax Act as well as the Central Goods and Services Tax Act, 2017 (as amended from time to time) and the provisions of the Indian Stamp Act, 1899 (as amended from time to time) and other laws relating to payment of stamp duty applicable in any state.
- (c) The Corporate Debtor shall be entitled to carry forward the unabsorbed depreciation and accumulated losses and to utilize such amounts to set off future tax obligations.

#### 15.6 Anti-corruption provisions and immunity

- (a) As the Resolution Applicant will acquire control over the Corporate Debtor pursuant to the order of the NCLT and not pursuant to the usual acquisition process which would ordinarily include a detailed due diligence and representation, warranties and indemnities in relation to the affairs of the Corporate Debtor from its existing promoters, the Resolution Applicant may take some time to discover all the non-compliances that may exist in relation to the Corporate Debtor on the date of acquisition of control by the Resolution Applicant over the Corporate Debtor.
- (b) Upon approval of the Resolution Plan by the NCLT, immunity shall be deemed to have been granted to the Corporate Debtor from any actions and penalties (of any nature) under any laws for any non-compliance of laws in relation to the Corporate Debtor or by the Corporate Debtor, which was existing as on the IC Date.

#### 15.7 Delisting of shares of the Corporate Debtor

- (a) Upon approval of this Resolution Plan by the NCLT, all actions stated in this Resolution Plan shall be deemed to be approved in order to make the Resolution Plan effective and with effect from the Completion Date, the entire existing share capital of the Corporate Debtor shall be cancelled and the shares of the Corporate Debtor in existence on the date of approval of this Plan by the NCLT shall be deemed to have been delisted from all stock exchanges in line with Delisting Notification.
- (b) Pursuant to the completion of procedure under this Resolution Plan, the shares of the Corporate Debtor shall stand delisted from the stock exchanges. Pursuant to the Delisting Notification, SEBI has exempted applicability of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (“**Delisting Regulations**”) to delisting of equity shares of a listed entity pursuant to a resolution plan approved under section 31 of the Code, subject to compliance of certain conditions. The circular further states that exit to the shareholders should be at a price which shall not be less than the liquidation value as determined under regulation 35 of the CIR Regulations, 2016 after paying off dues in the order of priority as defined under section 53 of the Code. Since the liquidation value of the Corporate

Debtor as determined by the Resolution Professional is not sufficient to cover the debt of the Financial Creditors of the Corporate Debtor in full, the liquidation value of the Corporate Debtor in the hands of equity shareholder of the Corporate Debtor is nil.

- i. In view of the provisions of Clause 20, since the entire existing issued equity share capital of the Corporate Debtor shall be reduced and cancelled on the Completion Date contemporaneous by merging with the Resolution Applicant, the Resolution Applicant shall, for good order seek the confirmation of SEBI for deemed delisting of the shares of the Corporate Debtor on the Completion Date. Upon cancellation of entire existing share capital in existence of the Corporate Debtor on the date of approval of the Resolution Plan, SEBI shall record delisting the Corporate Debtor pursuant to the Resolution Plan without the Corporate Debtor being required to make a delisting offer or a petition for cancellation of equity share capital

or giving any exit offer to the shareholders of the Corporate Debtor in any manner whatsoever under applicable SEBI laws. The application made by the Resolution Applicant to SEBI is to enable such cancellation and delisting to be done without it being subject to the procedure for delisting under the Delisting Regulations since the value of the shares of the Corporate Debtor has been totally eroded and is nil; Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2018. No approval from the recognized stock exchange on which the shares are listed shall be required and the approval of NCLT for the Plan shall be deemed to be the final approval for delisting.

#### 15.8 Title in respect of immovable property held by the Corporate Debtor

- (a) The title search and verification report dated 5<sup>th</sup> December 2003 shared by the Resolution Professional provides the details of the old and new survey numbers of the freehold land in the name of the corporate debtor at Mouza Dhamangaon admeasuring 114.96 HR and Mouza Dongargaon admeasuring 162.94 HR, at Tashil Seloo, District Wardha totalling to 277.90 HR. The details of the such survey numbers are provided in Schedule 10
- (b) The Resolution Applicant shall have conducted a title due diligence in respect of the Corporate Debtor to its satisfaction as follows:
  1. shall have ascertained that all documents of title, deeds and writings in respect of all immovable properties of the Corporate Debtor, including properties situated at Village Hingni in Wardha District in the state of Maharashtra are complete title documents constituting all immovable properties held in the name of Corporate Debtor, wherever situated
  2. whether or not the properties situated at Village Hingni in Wardha District in the state of Maharashtra together with the buildings and other structures and that no other charge exists on such properties other than in favour of the Financial Creditors who are part of the Committee of Creditor (“CoC”).

3. the Resolution Applicant shall have obtained title due diligence reports from the Revenue Courts having jurisdiction for the purpose of ascertaining the title of the immovable properties existing in the name of Corporate Debtor.
4. the Resolution Applicant shall have conducted necessary searches and shall have made all enquiries in order to ascertain that there are no suits/litigations/attachments and/or any other proceedings pending in respect of immovable properties by any third party with regard to any dispute or claim on the title of the immovable properties owned by the Corporate Debtor other than those disclosed in the Information Memorandum dated July 2019.

#### 15.9 Effectiveness of this Resolution Plan

This Resolution Plan shall come into effect on the date of approval of this Plan by the NCLT (“**Effective Date**”).

#### 15.10 Information shared with Resolution Applicant

The Resolution Applicant has assumed that the Resolution Professional has furnished the same information to all the resolution applicants, and no resolution applicant has received additional information not provided to any other resolution applicant.

### **16 POWERS OF THE NCLT**

- 16.1 The Resolution Applicant has assumed that the Code is a complete code and the NCLT acting under the Code is empowered to grant a single window clearance for all actions as provided in a resolution plan approved by the NCLT.
- 16.2 Accordingly, the process stipulated under the Code for implementation of a resolution plan is a final and binding process and therefore, any action undertaken pursuant to a resolution plan approved by the NCLT under the Code does not require compliance with procedural requirements under other laws.

### **17 RIGHT TO SHARE NCLT ORDER AND THIS RESOLUTION PLAN**

- 17.1 The Resolution Applicant and the Corporate Debtor shall be entitled to share a certified copy of this Resolution Plan and the order of the NCLT approving this Resolution Plan with third parties, including Governmental authorities.
- 17.2 The measures and declarations set-out in this Resolution Plan, and the order of the NCLT approving this Resolution Plan shall take effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.

<b>PART F: STEPS TO COMPLETION, APPROVALS, COMPLETION ACTIONS</b>
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**18 MEASURES UNTIL COMPLETION DATE**

18.1 The Resolution Applicant requests the NCLT to approve the following measures between the Effective Date and the Completion Date (“**Interim Period**”):

- (a) A committee consisting of the Resolution Professional, one member of the CoC and one nominee of the Resolution Applicant (“**Monitoring Agency**”) shall manage the Corporate Debtor during the Interim Period. Provided however that, if the Resolution Applicant and the Resolution Professional fail to agree on the fee or other terms, the Resolution Applicant shall have the right to appoint any other firm/person in place of the Resolution Professional as a member of the Monitoring Agency.
- (b) The Monitoring Agency shall manage the Corporate Debtor in trust, and shall appoint the Resolution Professional to manage the day-to-day affairs of the Corporate Debtor under its supervision, until the full hand-over of assets of the Corporate Debtor including business records and all statutory records, tax filings, account books and account records taken into custody by the Resolution Professional under Sections 17 and 18 of the Code read with Sections 23 and 25 of the Code.
- (c) Upon appointment of the Monitoring Agency, the Resolution Professional shall be released of his statutory duties and responsibilities, however, he shall continue to be liable for (i) complete handover of all the records, assets and information as specified in Clause 19.2(d), and (ii) any non-compliance during the period of his management, including for non-payment of statutory dues or taxes.
- (d) The Monitoring Agency shall manage the affairs of the Corporate Debtor and shall exercise the powers of the board of directors of the Corporate Debtor.
- (e) During the Interim Period and till handover on the Completion Date:
  - (i) the board of directors of the Corporate Debtor shall continue to be suspended.
  - (ii) The voting rights of the existing shareholders and all incidental rights available to them as shareholders shall stand suspended, denuded and unavailable. All decisions shall be taken by the Monitoring Agency; and
  - (iii) Any reasonable costs incurred after the Effective Date and until the Completion Date, which if incurred prior to the Effective Date would have qualified as insolvency resolution process cost, shall be paid by the Resolution Applicant, subject to a prior approval of the Resolution Applicant having been obtained prior to such cost having been incurred.

## 19 STEPS TO COMPLETION AND COMPLETION DATE ACTIONS

### 19.1 Change in authorized share capital

On the Completion Date, the authorized share capital of the Corporate Debtor shall stand **revised to NIL**, pursuant to the order of the NCLT, in line with Delisting Notification, without any further act or deed.

### 19.2 Completion Day Corporate Actions

On the Completion Date, the following actions shall be completed substantially simultaneously:

- (a) Reconstitution of the board of directors:
- (i) Pursuant to the approval of the NCLT, the suspended board of directors shall stand dissolved and the directors of the Corporate Debtor immediately prior to the Completion Date, shall be deemed to have resigned and shall vacate their office, without the need for any further act or deed, and without any additional payment or compensation. Provided however that, such directors shall not be released from any liability in their capacity as directors, for any period prior to the Completion Date.
  - (ii) The persons nominated by the Resolution Applicant and the Financial Creditors pursuant to the clauses hereunder, including whole-time director, if any, shall be appointed as directors of the Corporate Debtor, without any further act or deed, pursuant to the order of the NCLT.
  - (iii) The Reconstituted Board shall authorize persons to operate all bank accounts of the Corporate Debtor in existence on the Completion Date.
  - (iv) Within 7 Business Days of the Completion Date, the Corporate Debtor shall file Form No DIR 12, as specified in Companies (Appointment and Qualification of Directors) Rules, 2014 to report:
    - (A) the vacation of office by the directors pursuant to the order of the NCLT; and
    - (B) appointment of the directors nominated by the Resolution Applicant, pursuant to order of the NCLT.

(b) Meeting of the Reconstituted Board

On the Completion Date, the Reconstituted Board shall conduct a meeting to implement the actions set-out in this Clause 19.2

(c) Cancellation of existing share capital and merger with Resolution Applicant

- (i) As per the Information Memorandum dated July 2019, the Corporate Debtor has 1,92,28,100 paid-up equity shares of Rs. 10 each

amounting to **Rs. 19,22,81,000 (Rupees Nineteen Crore Twenty Two Lakhs Eighty One Thousand)**

- (ii) On the Completion Date, in line with Delisting Notification, the Corporate Debtor shall undertake a capital reduction and cancellation of its entire existing equity shareholding whereby the entire equity share capital of the Corporate Debtor shall stand cancelled without the requirement of writing the words “and reduced” in the corporate name and style of the Corporate Debtor and simultaneously merge with the Resolution Applicant on the Completion Date.
- (iii) For the purpose hereof, the following shall apply to cancellation of shares and capital reduction,
  - (A) the cancellation shall be applicable to all shareholders of the Corporate Debtor;
  - (B) the cancellation shall not require any payment by the Corporate Debtor to any of the shareholders;
  - (C) the cancellation shall be pursuant to the order of the NCLT and shall not require any other procedure as required under the Companies Act, including that under Section 66 of the Companies Act or regulations of the SEBI
  - (D) shall not require the consent of any of the creditors of the Corporate Debtor or approval of the shareholders of the Corporate Debtor, as the Resolution Plan, upon being approved by the NCLT shall be binding on the Corporate Debtor and its stakeholders (including its creditors and shareholders), and in addition in accordance with the October 25 Circular, approval of the shareholders/members of the corporate debtor/company, which would have been required under Companies Act, 2013 or any other law if the resolution plan was being considered outside the scope of the Code, shall not be required for cancellation and issuance of shares and any other action under the Resolution Plan for its implementation. On approval of the Resolution Plan by the NCLT, the approval of the shareholders shall be deemed to have been given as per explanation of sec 30(2) of the Code for effecting cancellation of capital, revision of agreements, constitutional documents such as Memorandum of Association, Articles of Association and for implementation of any other actions under the Resolution Plan.
  - (E) The draft Scheme for amalgamation and reduction of capital is set out in Schedule 14 hereto.
- (d) Hand-over by the Resolution Professional  
The Resolution Professional shall be discharged from management of the affairs of the Corporate Debtor upon the complete handover of the books of accounts, records, other relevant documents of the Corporate Debtor, accounts which were accessed by the statutory auditor, all information

relating to the assets, finances and operations of the Corporate Debtor accessed for determining the financial position of the Corporate Debtor, including handover of available information relating to:

- (i) business operations of the Corporate Debtor for the previous two years;
- (ii) financial and operational payments of the Corporate Debtor for the previous two years;
- (iii) list of assets and liabilities as of the IC Date;
- (iv) tax filings made from time to time and proof of payment of taxes in relation to any taxes payable by the Resolution Professional as the person in charge of the Corporate Debtor;
- (v) account books maintained by the Resolution Professional from the date of his appointment to the date of hand-over;
- (vi) assets over which the Resolution Professional took control, which were such assets over which the Corporate Debtor had ownership rights as recorded in the balance sheet of the Corporate Debtor or with the depository of securities that records the ownership of assets including:
  1. ownership rights over assets which may be located in a foreign country;
  2. tangible assets, whether movable or immovable;
  3. process manuals and manufacturing instructions or manuals for running of the factory;
  4. securities including shares held in any subsidiary of the Corporate Debtor;
  5. financial instruments, insurance policies;
  6. any records of proceedings undertaken on behalf of the Corporate Debtor with third parties for exercising rights for the benefit of the Corporate Debtor in judicial, quasi-judicial or arbitration proceedings;
  7. any accounts maintained for payments made to the Resolution Professional's accountants, legal or other professionals, which constitute IRPC;
  8. particulars of any related party transactions undertaken with the CoC's consent in accordance with Section 28 of the Code; and
  9. all other documents and information as available with the Resolution Professional in relation to the Corporate Debtor,

including without limitation: company seal, data bases, passwords etc.

On the Completion Date, all documents relating to the Corporate Debtor, including all title deeds in respect of its immovable property and any documents pertaining to movable property of the Corporate Debtor, held by the Resolution Professional or the members of the CoC, shall be handed over to the Resolution Applicant with a declaration that all such property is free from any known mortgages, charges or other encumbrances, which shall stand discharged in accordance with this Resolution Plan.

(e) Satisfaction of Existing Charges

On the Completion Date, the Financial Creditors shall, simultaneous with the disbursal of amounts in accordance with Clause 7.4(3) of this Resolution Plan, issue a certificate of discharge and no-claims to the Corporate Debtor and also return the security documents to the Corporate Debtor forthwith and unconditionally release all security available to them as on the Completion Date in connection with any amounts payable to them by the Corporate Debtor (including making all requisite filings with the Registrar of Companies for satisfaction of all charges in respect of such security) including any powers of attorney, pledge of shares, guarantees or other encumbrance issued by the Corporate Debtor, or any third party or any of its promoters (other than any personal guarantees and corporate guarantees provided by promoters of the Corporate Debtor or third parties in connection with any financial debt or any other debt or obligation of the Corporate Debtor).

(f) Other actions

With effect from the Completion Date:

- (A) All outstanding letters of offers or invitations issued by the Corporate Debtor to any person, including the financial creditors, for subscription to share of the Corporate Debtor shall stand withdrawn, revoked and abandoned.
- (B) All key managerial personnel of the Corporate Debtor including the chief executive officer, chief operating officer and chief financial officer shall be deemed to have resigned and new key managerial personnel, including persons to be appointed as the chief executive officer, chief operating officer and chief financial officer of the Corporate Debtor, shall be appointed by the Reconstituted Board.
- (C) The control of the Corporate Debtor shall be transferred to the Resolution Applicant and the Reconstituted Board.
- (D) All powers of attorney and / or other corporate authorizations or mandates issued by the Corporate Debtor to any person to enable such person to carry out various functions of the Corporate Debtor, to sign and execute various documents and/ or represent the Corporate Debtor, and to operate the bank accounts of the Corporate Debtor shall stand revoked with immediate effect, and the Reconstituted Board

shall be entitled to authorize such persons as it deems fit to carry out such functions of the Corporate Debtor, sign and execute various documents and/ or represent the Corporate Debtor, and to operate the bank accounts of the Corporate Debtor.

### 19.3 **Dissolution of the CoC**

- (a) The Resolution Professional was appointed by the NCLT and the CoC was formed by the Resolution Professional pursuant to the corporate insolvency resolution process.
- (b) The Resolution Professional shall be released of his duties and responsibilities in accordance with Clause 19.2(d). The CoC shall be dissolved with effect from the Completion Date.

### 19.4 **Reconstituted board of directors**

- (a) In the application to be made to the NCLT for approval of this Resolution Plan by the RP, a specific prayer will be made for cessation of directorships of the erstwhile management of the Corporate Debtor with immediate effect and the simultaneous appointment of a reconstituted board of directors vide the same order of the Hon'ble NCLT accepting the Resolution Plan.
- (b) The reconstituted board of directors of the Corporate Debtor shall constitute of such number of directors as shall be determined by the Resolution

Applicant and one director to be nominated by the Financial Creditors, collectively ("**Reconstituted Board**"). Such directors shall be nominated by the Resolution Applicant and the Financial Creditors prior to making such application to the NCLT and shall be substituted in place and instead of the erstwhile board of directors of the Corporate Debtor with effect from the Completion Date. To this end, all requisite documents for appointment of the Reconstituted Board shall be attached with the application made for this purpose to the NCLT. None of the members of the Reconstituted Board shall be persons disqualified under Section 29A of the Code.

- (c) The Resolution Professional (for the period up to the Effective Date) and the members of the erstwhile board of directors of the Corporate Debtor shall continue to be responsible for the final accounts and preparation thereof of the Corporate Debtor and the Reconstituted Board shall be responsible for the final accounts and preparation thereof for the succeeding financial period. On the Completion Date the Corporate Debtor will be merged with the Resolution Applicant.
- (d) It is hereby clarified that the directors on the Reconstituted Board shall not be liable for any past non-compliances with the provisions of applicable laws by the erstwhile board of directors of the Corporate Debtor.
- (e) Upon approval of this Resolution Plan by the NCLT, the existing directors and key managerial personnel of the Corporate Debtor as on the Completion Date shall be deemed to have resigned without any additional approval from the Shareholders.

- (f) It is hereby clarified that on and from the Completion Date, the Corporate Debtor will be merged with the Resolution Applicant.

## 19.5 Corporate Actions and Other Compliances

- (a) The Corporate Debtor shall take appropriate corporate actions necessary for implementation of the all the provisions of the Resolution Plan, which includes (i) filing of appropriate documents or forms with amongst others, the Registrar of Companies and Ministry of Corporate Affairs; (ii) issuance of shares and instruments as provided in the Resolution Plan; and (iii) other compliances as per the governing law.
- (b) Exemptions under existing applicable laws

(a) Companies Act

Pursuant to the General Circular No. IBC/01/2017 dated October 25, 2017 released by the MCA (“**October 25 Circular**”), it has been clarified by the MCA that “the approval of shareholders/ members of the corporate debtor/ company for a particular action required in the resolution plan for its implementation, which would have been required under the Companies Act, 2013 or any other law if the resolution plan of the company was not being considered under the Code, is deemed to have been given on its approval by the Adjudicating Authority”. Accordingly, in light of the October 25 Circular, the requirement of procuring approval of the shareholders of the Corporate Debtor has been dispensed with for any of the actions proposed to be undertaken pursuant to this Resolution Plan.

## PART G: MERGER OF THE CORPORATE DEBTOR BY RESOLUTION APPLICANT POST THE COMPLETION DATE

### 20 MERGER OF THE CORPORATE DEBTOR

- (a) Pursuant to the approval of the Resolution Plan by NCLT, the Resolution Applicant undertakes to reduce the entire 1,92,28,100 shares of Rs. 10 each (as per Shareholding Pattern available on Bombay Stock Exchange website dated June 2019) of the Corporate Debtor to Zero and cancel the share capital to NIL.
- (b) The liquidation value due to the existing shareholders in accordance with Sec 53(1) of the Code is NIL, therefore there shall be no consideration paid to such existing shareholders after the reduction and cancellation of the share capital in line with Delisting Notification,
- (c) With effect from the Completion Date, the Corporate Debtor shall be merged with the Resolution Applicant, without obtaining any separate Order from the Hon’ble NCLT or any other Authority/Agency. Details of management of the Resolution Applicant post-merger with the Corporate Debtor is set out in Schedule 7.
- (d) It is hereby clarified that the managerial personnel of the Resolution Applicant pursuant to this Clause 20 shall not be liable for any past non-

compliances with the provisions of applicable laws by the erstwhile key managerial personnel of the Corporate Debtor.

**21 RETENTION OF EMPLOYEES**

On merger of the Corporate Debtor with the Resolution Applicant in accordance with this Resolution Plan, the Resolution Applicant proposes that the workmen and employees of the Corporate Debtor will be employed by the Resolution Applicant on their suitability and as per operational requirements. Suitable augmentation of human resources to implement the Resolution Plan will be undertaken by the Resolution Applicant. The Resolution Applicant reserves the right to replace/remove existing employees to bring in operational efficiencies in the operations. The Resolution Applicant may also enter into appropriate agreements with the employees of the Corporate Debtor in respect of their terms of employment.

**22 INFUSION OF FUNDS**

22.1 The Resolution Applicant has noted that the business of the Corporate Debtor will require significant amount of capital expenditure for revival and improvement/enhancement of efficiency of manufacturing units and for operating the plant at full capacity and additional working capital investment to revive the business and to reach a consistent reasonable level of production and sales quantity.

22.2 The Resolution Applicant may undertake further capital expenditure of **Rs. 270 Crore** (Rupees Two Hundred Seventy Crore) and infusion of working capital fund amounting to Rs. 20.98 Crore (Rupees Twenty Crore Ninety-Eight Lakhs), **totalling to Rs. 290.98 (Rupees Two Hundred Ninety Crore and Ninety-Eight Lakhs)** to improve the efficiency of the plant and will implement suitable projects to make the operations more competitive within 3 (Three) years from the Completion Date.

**PART H: IMPLEMENTATION AND SUPERVISION OF THE RESOLUTION PLAN; OTHER TERMS**

**23 IMPLEMENTATION AND SUPERVISION OF THE RESOLUTION PLAN**

The Monitoring Agency shall supervise the Resolution Plan during the Interim Period, in accordance with Clause 18.1.

**24 TERM OF THE PLAN AND IMPLEMENTATION SCHEDULE**

24.1 The term of this Resolution Plan shall be from the Effective Date until the Completion Date.

24.2 The indicative implementation schedule for this Resolution Plan is set out below:

Sr. no	Activity	Timeline (Days)
1.	Effective Date	Approval of this Resolution Plan by the NCLT
2.	Completion Date	Effective Date + <b>15 days</b>

- 24.3 The aforementioned timeline is indicative and a delay on account of regulatory or other reasons shall not be considered to be a contravention of this Resolution Plan, if all the steps are completed prior to the expiry of the Completion Date. However, any approvals or permission required by the Resolution Applicant, under any law time being in force, shall be obtained from relevant statutory and regulatory approvals in time specified under that law, but in no event later than **1 (One) year** from the Effective Date.

## **25 OTHER TERMS AND CONDITIONS**

### **25.1 Governing Law**

The Corporate Debtor and the new management shall be governed by the laws of India giving effect to NCLT order approving the Resolution Plan and any agreements, documents and instruments executed in connection with the Resolution Plan. Any disputes in connection with or arising out of the Resolution Plan shall be subject to the jurisdiction of courts and forums at Mumbai.

### **25.2 Binding Effect**

Subject to receipt of the approval of NCLT and subject to applicable law, this Resolution Plan, once approved by the CoC and the NCLT, shall be binding on the Corporate Debtor, all holders of claims, creditors, members, promoters, Central Government, any State Government, any Local Authority to whom a debt in respect of the payment of dues arising under any law for the time being in force such as Authorities to whom statutory dues are owed, and all other parties in interest and each of their respective successors and assigns in accordance with Sections 31(1) and 238 of the Code. A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall be conclusive evidence that the Plan has been duly approved in accordance with Section 31(1) and Section 238 of the Code.

### **25.3 Implementation**

If this Resolution Plan cannot be implemented for any reason not attributable to the Resolution Applicant, then the Resolution Applicant shall have no liability on this account. If the Resolution Applicant has issued any guarantees, then such guarantees shall not be invoked on this account and shall be returned forthwith to the Resolution Applicant.

### **25.4 Severability and right to modify**

- (a) In the event it is determined that any provision of the Resolution Plan is unenforceable either on its face or as applied to any claims or transaction and/or in the event any provision of the Resolution Plan becomes invalid for reasons other than by breach of any party, the Resolution Applicant may apply to the NCLT for appropriate modification of such provisions of the Resolution Plan, to satisfaction of the NCLT, and such invalidity and/or unenforceability of the provision of the Resolution Plan shall not render the whole Resolution Plan ineffective, unless otherwise directed by the NCLT by order.
- (b) In case any such modification is required in the Resolution Plan after the receipt of NCLT approval, to comply with any laws currently in force or to apply for certain approvals as required under the Resolution Plan or for any other requirements, not jeopardising the rights of the creditors under the current plan, the Resolution Applicant can do so only after approval of NCLT.

## 25.5 Assignment of Interest

Any financial creditor may assign its rights under this Resolution Plan, subject to the transferee unconditionally agreeing to be bound by the terms of this Resolution Plan. Provided that prior to such assignment, a financial creditor must provide a 7 Business Days written notice to the Corporate Debtor and the Resolution Applicant.

## 25.6 Validity

The validity of the Resolution Plan shall be as per clause 1.9.3 of the Request For Resolution Plan dated July, 2 2019 which is for a period of not less than 12 (twelve) months from the Submission Date including any revisions to such Resolution Plan.

## 25.7 Effect of the order of NCLT

(a) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence of the rights and entitlements of the Corporate Debtor as provided in the Resolution Plan and the settlement of claims with the financial creditors and discharge and extinguishment of all other claims and obligations, rights and entitlements of dissentient financial creditors, operational creditors and other creditors in accordance with the Resolution Plan by deemed satisfaction, discharge or extinguishment. A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall, where applicable, constitute conclusive evidence of any modifications or cancellation or abandonment of contractual arrangements or agreements or leases or licenses as recorded in the Resolution Plan. The mere production and delivery of a certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute proof of amendment of any constitutional documents of the Corporate Debtor, the authority to create security over the assets of the Corporate Debtor in favour of any refinancing creditor, change in the shareholding of the Corporate Debtor or its loan capital, cancellation of the share capital of the Corporate Debtor and deemed delisting of the shares of the Corporate Debtor or revisions in agreements or arrangements by modification or cancellation or abandonment thereof, without any further act or deed.

(b) The mere production and lodgement of a certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan or a notarially certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan before any court or tribunal or regulator or government or arbitral tribunal or any administrative authority or any other authority shall be adequate and sufficient for such authorities (or the counter parties to the Corporate Debtor to constitute the revised agreements or arrangements or deemed modification or

cancellation or abandonment thereof ) to cause the abatement of any cause of action against the Corporate Debtor or Resolution Applicant after the merger, or discharge or abatement of any suit or action or claim made in arbitration against the Corporate Debtor or Resolution Applicant after the merger, or in any other judicial, quasi-judicial, regulatory, administrative or government proceedings of whatsoever nature in accordance with the approved Resolution Plan. Any pending or future proceedings against the Corporate Debtor or Resolution Applicant after the merger which are contrary to or inconsistent with the terms of the Resolution Plan shall be

deemed to be not maintainable or to have been terminated and closed upon the production and lodgement of the certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan or a notarially certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan. The certified copy of the approved Resolution Plan shall be posted on the website of the Corporate Debtor and the website of the Resolution Applicant.

- (c) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence that notwithstanding anything contained in any other document or instrument or contract, upon implementation of the Resolution Plan any right, title and interest to all immovable property in the name of the Corporate Debtor, will continue to remain vested in the name of Resolution Applicant, without any further act, instrument or deed and for this purpose the relevant persons shall cooperate with the Corporate Debtor to take necessary steps and execute such documents as may be required for continuance of vesting of the immovable properties in the name of the Corporate Debtor;
- (d) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence that notwithstanding anything to the contrary, the power of attorneys or authorizations issued by the Corporate Debtor shall stand cancelled without any further act, instrument or deed;
- (e) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence that pursuant to the discharge and payment of the Total Consideration as per the terms herein, all obligations, promises or commitments made or guarantee given by, or on behalf of the Corporate Debtor whatsoever, (whether oral or written) for the payment of any amount or incurring of any liability or assumption of any liability/obligation or claim against the assets of the Corporate Debtor (whether known or unknown, liquidated or unliquidated, contingent or otherwise) shall stand extinguished, released and discharged, without any further act, instrument or deed by the Corporate Debtor, and no person shall have any claim whatsoever against the Corporate Debtor or the Resolution Applicant in respect of obligation or liabilities of the Corporate Debtor pertaining to the period prior to the Completion Date except to the extent provided for payment in this Resolution Plan;
- (f) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence that in so far as the assets and/or shares of the Corporate Debtor are concerned, on discharge and payment of the Total Consideration, any charge, lien, mortgage, security or encumbrance over them shall without any further act, instrument or deed be released;
- (g) the Corporate Debtor, the Resolution Applicant (if required) and the relevant creditor shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the provisions of this Resolution Plan;

- (h) pursuant to this Resolution Plan, all litigations instituted against the Corporate Debtor, initiated or arising and pending before the Completion Date shall be deemed to be withdrawn and/or stand extinguished/closed, without any further act, instrument or deed. The Corporate Debtor shall file the suitable applications with the relevant courts, forums and authorities along with a copy of the order of the NCLT and if required, the Resolution Plan to place on record such withdrawal of the relevant litigations. It is clarified that the liabilities including contingent liabilities in respect of the said litigations will be nil and there shall be no recourse against the Corporate Debtor or the Resolution Applicant in respect of the same. Any appeals or challenges against the Corporate Debtor in respect of such litigations shall also stand withdrawn, without any further act, instrument or deed. It is clarified that all litigations, instituted by the Corporate Debtor, initiated or arising and pending before the Completion Date shall continue, except any suit filed by the Corporate Debtor against Yatish Trading Company Pvt Ltd and/or any of its Associates/Affiliates in any court including the High Court of Mumbai as mentioned on page no. 44 of the Information Memorandum dated July 2019;
- (i) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence, upon discharge and payment of the relevant Total Consideration as per this Resolution Plan, that the charges over the shares of the Corporate Debtor in favour of any creditor shall automatically be released;
- (j) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence, upon discharge and payment of the Total Consideration as per this Resolution Plan, that the corporate guarantees (including un-invoked corporate guarantees, if any) held by any creditor of the Corporate Debtor, shall stand cancelled and cease to have any effect;
- (k) A certified copy of the approved Resolution Plan and the order of the NCLT approving this Resolution Plan shall constitute conclusive evidence that the assets of the Corporate Debtor shall be free from any attachment, restriction or adverse order on discharge of the Total Consideration.
- (l) The provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- (m) The Resolution Plan has dealt with interests of all stakeholders, including Financial Creditors, Operational Creditors, employees and workmen and other creditors of the Corporate Debtor, in accordance with Regulation 38(1A) of the CIRP Regulations as the Resolution Applicant believes that it creates value to all stakeholders, not less than the value due to them under the liquidation process.

In accordance with Regulation 37 (as amended) of the CIRP Regulations, this Resolution Plan provides for the following measures for maximization of value of the assets of the Corporate Debtor:

<b>Sub-regulation no.</b>	<b>Measures</b>	<b>Provision made in Resolution Plan</b>
(a)	Transfer of all or part of the assets of the corporate debtor to one or more persons	Not proposed in the Resolution Plan.
(b)	Sale of all or part of the assets whether subject to any security interest or not	Not proposed in the Resolution Plan.
(c)	The substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons	Please refer to Clause 20
(d)	Satisfaction or modification of any security interest	Please refer to Clause 7.4 and 25.7
(e)	cancellation or delisting of any shares of the corporate debtor, if applicable	Please refer to Clauses 7.7, 15.7, 19.2 and 20
(f)	Curing or waiving of any breach of the terms of any debt due from the corporate debtor	Not Applicable
(g)	Reduction in the amount payable to the creditors	Please refer to Clause 7.3, 7.4, 7.5 and 7.6
(h)	Extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor	Not Applicable
(i)	Amendment of the constitutional documents of the corporate debtor	Please refer to Clauses 19.2(c) and 25.7(a)
(j)	Issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose	Not Applicable
(k)	Change in portfolio of goods or services produced or rendered by the corporate debtor	Please refer to <b>Schedule 8</b>
(l)	Change in technology used by the Corporate Debtor	Not proposed in the Resolution Plan

(m)	Obtaining necessary approvals from the Central and State Governments and other authorities	Please refer Clause 15.1 and 15.2 and to <b>Schedule 9</b>
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The below table provides details provided in the Resolution Plan as required under Regulation 38:

<b>S. No</b>	<b>Description</b>	<b>Provision made in Resolution Plan</b>
(i)	Demonstrate that it addresses the cause of default;	Please refer to <b>Schedule 8</b>
(ii)	Demonstrate that the Resolution Plan is feasible and viable and provide all details which shall be required to assess the viability and feasibility of the Resolution Plan by the Committee of Creditors;	Please refer to <b>Schedule 8</b>
(iii)	Provide for provisions for its effective implementation and implementation schedule with clear timelines;	Please refer to Clauses 19, 20 and 24
(iv)	Provide for approvals required and the timeline within which approvals shall be obtained;	Please refer to Clauses 15.1, 15.2, 24.3 and <b>Schedule 9</b>
(v)	Demonstrate that the Applicant has the capability to implement the Resolution Plan;	Please refer to Clause 6 and Schedule 6
(vi)	Term of Resolution Plan and Implementation Schedule	Please refer to Clause 24
(vii)	Management and control of the business of the corporate debtor during its term	Please refer to Clause 18
(viii)	Means for supervising its implementation	Please refer to Clause 18

The Resolution Plan proposed herein has been prepared considering all the relevant provisions of the Code and the Request for Resolution Plans (“**RFRP**”). However, pursuant to the RFRP, in the event that the Resolution Professional or the CoC or their advisors are of the view that this Resolution Plan does not comply with any of the provisions of the Code or the RFRP, then at the request of the Resolution Professional or CoC, the Resolution Applicant shall remedy the deficiencies in the Resolution Plan (including, without limitation, the supporting documents and submissions in the Resolution Plan) and submit a revised Resolution Plan, that is compliant with the provisions of the Code and the RFRP, for the consideration of the CoC.

For and on behalf of the Resolution Applicant  
Ipca Laboratories Limited

Authorised Signatory

Name of Authorised Signatory: Ajit Kumar Jain

Designation of Authorised Signatory: Joint Managing Director

Date: 3<sup>rd</sup> October 2019

Place: Mumbai

**Schedule 1: Members of the CoC****Financial Creditors included in CoC**

S.No.	Member of CoC	Admitted Claim (in Rs. Lakhs)	Voting Share
1.	Yatish Trading Company Private Limited	8,700.97	88.53%
2.	DIL Ltd	1,126.81	11.47%
<b>Total</b>		9,827.78	

**Related Party Financial Creditors not included in CoC**

S. No.	Name	Amount Claimed (in Rs. Lakhs)	Amount Admitted (in Rs. Lakhs)
1	Tikam Chand Kothari	283.61	226.33
2	Ramesh Bhimraj Kothari	218.92	218.92
3	Madhukar Ramchandra Chandurkar	304.65	203.34
4	Sunil Kothari	30.98	30.98
5	Sameer Prakash Maheshwari	45.66	27.56
6	Salvia Investment & Traders Pvt Ltd	34.62	25.97
7	Prashant Kothari	14.56	14.36
8	Piyush Kothari	11.5	11.44
9	Ramesh Bhimraj Kothari	10.33	10.33
10	Siddharth Creations	8.18	7.61
11	Piyush Kothari	7.4	7.4
<b>Total</b>		<b>970.41</b>	<b>784.24</b>

## Schedule 2: Interpretation

In this Resolution Plan, unless a contrary intention appears:

- (a) Expressions defined in the Code or the CIR Regulations, have the meaning assigned therein.
- (b) Any reference to any statute or statutory provision shall include:
  - (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
  - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Resolution Plan) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Resolution Plan prior to the Effective Date and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced;
- (c) Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- (d) References to the masculine, the feminine and the neuter shall include each other.
- (e) References to a “**company**” shall include a company, corporation or other body corporate, wherever and however incorporated or established.
- (f) The background and schedules form part of this Resolution Plan and shall have the same force and effect as if expressly set out in the body of this Resolution Plan, and any reference to this Resolution Plan shall include any background and schedules to it. Any references to Clauses and schedules are to Clauses and schedules to this Resolution Plan. Any references to parts or paragraphs are, unless otherwise stated, references to parts or paragraphs of the schedule in which the reference appears.
- (g) A reference to **this Resolution Plan** or **any other document** shall be construed as references to this Resolution Plan or that other document as amended, varied, novated, supplemented or replaced from time to time.
- (h) A reference to **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (not merely the sub-Clause, paragraph or other provision) in which the expression occurs.
- (i) A reference to a **person** shall include that party's personal representatives, successors and permitted assigns.
- (j) Headings to Clauses, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of this Agreement.

- (k) A reference to “**in writing**” includes any communication made by letter or fax or email (unless otherwise expressly provided in this Resolution Plan.).
- (l) Unless otherwise specified, any reference to a time of day is to Indian Standard Time.
- (m) Any words following the terms **including, include, in particular, for example or any similar expression** shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- (n) Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

**Schedule 3: Shareholding Pattern of the Corporate Debtor for Quarter ended June 2019, as available on Bombay Stock Exchange**

<b>Category of shareholder</b>	<b>Total nos. shares held</b>	<b>% Shareholding</b>
<b><u>A - Promoter &amp; Promoter Group</u></b>	<b>25,15,495</b>	<b>13.08%</b>
<b><u>B - Non-Institutions</u></b>		0.00%
Individual share capital in excess of Rs. 2 Lacs	78,23,130	40.69%
Individual share capital upto Rs. 2 Lacs	68,63,974	35.70%
Others (Trusts, HUF, Body Corporate, NRI)	20,25,201	10.53%
<b>TOTAL – B</b>	<b>1,67,12,305</b>	<b>86.92%</b>
<b><u>C - Financial Institutions/ Banks</u></b>	300	0.00%
<b>TOTAL - A + B + C</b>	<b>1,92,28,100</b>	<b>100.00%</b>

**Schedule 4: Details of claims of operational creditors other than workmen and employees**

(in Rs. Lakhs)

Sr No.	Name of Worker / Employee	Amount Claimed (incl. Interest)	Amount admitted
1	J P Chemicals	183.71	95.40
2	Libord Securities Ltd	90.08	90.08
3	Sagar Enterprises	84.09	44.10
4	Gram Panchayat Hingani	28.50	28.50
5	Noble Employees Credit Co-op Society Ltd, Hingini through Sandeep U Raut, Liquidator	13.95	20.54
6	Madhuban Drums & Barrels	18.94	18.94
7	Satellite Corporate Services Pvt Ltd	17.25	17.10
8	Employees Provident Fund Organisation	15.55	15.55
9	Tops Security Ltd	14.45	14.45
10	P S Channe & Associates	3.89	3.47
11	Vinayak Enterprise	5.94	2.51
12	Shreeram Bokare HUF	3.27	3.27
13	Rajashree Bokare	3.11	3.11
14	Amarchand Bohra	1.95	1.59
15	Srimanta Dutta	1.39	1.39
16	Wardha Nagri Sahakari Adhikosh (Bank) Mydt Wardha	11.23	1.32
17	Advocate Shreyas Zinjarde	1.25	1.25
18	Amar Bafna & Associates	0.98	0.98
19	Ebrahimjee Filling Centre	0.50	0.50
20	Shekhar V Shende	0.47	0.47
21	BSE Limited (Atul Dhotre)	6.44	5.94
22*	Commissioner of Customs	525.06	525.06
24*	Tehsildar Seloo	505.59	505.59
	<b>TOTAL</b>	<b>1,537.59</b>	<b>1,401.11</b>

\* It is understood from the updated claims list, dated 3<sup>rd</sup> October 2019, provided by the RP that the claims of the Commissioner of Customs and Tehsildar Seloo are currently being verified and not yet admitted due to information to be furnished by the claimant. However, for the purposes of this Resolution Plan, these claims have been deemed to be admitted in full.

**Schedule 5: Details of Claims of Employees and Workmen (in Rs. Lakhs)**

<b>Sr No.</b>	<b>Name of Worker / Employee</b>	<b>Amount Claimed (incl. Interest)</b>	<b>Amount admitted</b>
1	Ambadass Urkadaji Chahande & Vidnyan Bhaurao Thool (authorised Representative of 110 workers)	957.18	801.72
2	General Labour Union & Noble Explochem Mazdoor Sangh	1,167.17	619.71
3	Sidharth Ramesh Kothari	36.49	34.84
4	Piyush Kothari	12.07	12.07
5	Vinda M Warhadpande	11.43	11.43
6	Tikam Chand Kothari	7.32	7.32
7	Sameer Maheshwari	5.04	5.04
8	Ravindra DinkarraoKhalatkar	2.00	1.51
9	Rajesh Ramjidasji Vaidya	1.80	2.86
10	Sunil V Mandekar	2.18	2.53
11	Natarajan Mani	1.20	2.50
12	Ashok Pandurangjipihul	2.33	2.39
13	Chadrakant M Tadas	2.09	2.09
14	KeshaoganpatraoTadas	2.25	1.83
15	Nitin V Labhe	0.96	1.81
16	Sanjay Changdeo Pathak	0.89	1.70
17	Mukund P Joshi	2.80	1.40
18	Shashikant Ramprasad Jaiswal	1.20	1.30
19	Avinash C Warhadpande	1.25	1.25
20	Ajay Shambunath Gupta	1.35	1.18
21	Ramesh AshruKedar	0.61	1.17
22	Uday Vinayak Deshpande	0.56	0.78
23	Sanjay SharadraoDeogaonkar	0.54	1.04
24	Madhusudan W kale	4.36	0.96
25	RajindraHaribhauJamane	0.45	0.86
26	Sunil Deshmukh	0.45	0.85
27	Sunil Dwarkaprasad Dubey	0.79	1.47
28	M J Rehman	0.43	0.82
29	Ravindra T Lokhande	0.35	0.67
30	DR Manoj K Walale	0.51	0.54
31	Harish C Dwivedi	0.28	0.37
32	Rajesh Kukekar	0.26	0.48
33	MeghshyamDorle	0.25	0.47
34	Bharat Kumar Patel	0.70	1.05
35	V K Bansal	0.36	0.63
36	Vinod Kumar Jain	1.97	1.59
37	Anilkumar S Lonkar	0.30	0.57
38	Praveen Narayan Gautam	7.00	0.71
39	Baban Mahadeorao Bhanse	4.36	3.28
	<b>TOTAL</b>	<b>2,243.51</b>	<b>1534.79</b>

### Schedule 6: Credibility of the Resolution Applicant

IPCA Laboratories Ltd, is a fully-integrated Indian pharmaceutical company manufacturing over 350 formulations and 80 APIs for various therapeutic segments.

The Company, is one of India's largest exporters of API's and one of the world's largest manufacturers of the following API's - Atenolol, Losartan (anti-hypertensives), Chloroquine Phosphate (anti-malarial), Furosemide (diuretic), Hydroxychloroquine Sulphate (NSAID), Metoprolol Succinate (anti-hypertensive), Metoprolol Tartrate (anti-hypertensive) and Pyrantel Salts (anthelmintic) - besides being one of the largest suppliers of these API's worldwide. For more than 60 years, IPCA has been partnering healthcare globally in over 120 countries and in markets as diverse as Africa, Asia, Australia, Europe and the US. The customers of the Company are amongst the most reputed pharmaceutical majors like Abbott, AstraZeneca, Bayer, Cipla, Dr. Reddy's, Merck, Pfizer, Ranbaxy, and Wockhardt. The Company has leading brands in 5 therapeutic areas, with 3 branded formulations being ranked among the Top-300 Indian brands by ORG-IMS.

IPCA has 17 manufacturing plants across India which have the accreditations from global agencies like UK's Medicine & Healthcare Products Regulatory Agency (MHRA), World Health Organization (WHO), European Directorate for Quality of Medicines (EDQM), India's Central Drugs Standard Control Organization along with several country wise regulatory approvals. The Company has Research & Development approach which is well served by its large pool of intellectual property knowhow along with a large team of in-house scientists. IPCA Laboratories has state of the art R&D centers at Mumbai, Ratlam (MP), Athal (Silvassa) and Ranu (Gujarat)

#### **Below is the last 10 years financial performance of IPCA**

Particulars (in Rs. Crore)	2009- 10	2010- 11	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16	2016- 17	2017- 18	2018- 19
Total Sales	1,565.0	1,889.6	2,343.0	2,798.1	3,256.3	3,120.4	2,870.7	3,178.9	3,258.8	3,687.7
EBIDTA	344.7	384.2	526.4	640.0	826.7	556.3	341.8	435.2	478.8	765.3
% EBIDTA	22%	20%	22%	23%	25%	18%	12%	14%	15%	21%
Profit Before Tax	271.7	343.7	368.9	461.4	629.1	357.7	111.5	258.2	282.8	557.4
Profit After Tax	209.2	255.4	280.2	331.4	477.4	256.1	92.5	188.3	233.1	454.9
Net Worth	874.9	1,053.9	1,262.3	1,569.9	1,981.6	2,221.8	2,283.1	2,475.1	2,695.0	3,136.7
Net Block	674.8	792.6	1,007.3	1,204.5	1,471.0	2,019.9	2,105.5	2,040.8	1,927.8	1,806.1
Book Value per Share	69.9	83.8	100.1	124.4	157.0	176.1	180.9	196.1	213.6	248.3

As it can be seen, IPCA Laboratories Ltd. has been delivering consistent financial results for the last 10 years and the company is on strong financial footing.

The below documents are attached as Annexures

1. Credit Rating Report from CRISIL & CARE
2. Credit Statement from the banker of IPCA
3. Corporate Presentation dated March 2019 of IPCA
4. Annual Report for 2018-19

**Schedule 7: Details of Current Management and Key Managerial Personnel the Resolution Applicant post-merger of businesses of the Corporate Debtor**

**A. Premchand Godha**

Mr. Premchand Godha, is a qualified Chartered Accountant and a Commerce graduate. He is also a first-generation entrepreneur. He was in professional practice for five years before joining the ICAI. Mr. Godha is a Director on the Board of Directors of the Company since 1975 and has been the Managing Director of the company since 1983. He has 35 years of experience in the pharmaceutical industry. Under his leadership, the company has made tremendous growth in all spheres of activities and has brought ICAI to the forefront of the Indian Pharmaceutical industry.

**B. Ajit Kumar Jain**

Mr. Ajit Kumar Jain aged 64 years is a qualified Chartered Accountant and a Science Graduate and is employed with the Company since 1980. He is a professional, Wholtime, Non-promoter Director of the Company. He was appointed as Joint Managing Director in 2010. He is also CFO of the Company. He has over 3 decades of experience in the pharmaceutical industry in the field of Finance, Accounts, Information Technology, Legal, R&D, General Administration, etc

**C. Pranay Godha**

Mr. Pranay Godha, aged 47 years has done his B.Sc. from University of Bombay and has also obtained a degree in MBA from the New York Institute of Technology, USA. He has nearly two decades of experience in the field of Marketing and General Management. Pranay Godha is the Executive Director of the Company

**D. Prashant Godha**

Mr. Prashant Godha is a graduate in Commerce and has done Post Graduate Diploma in Business Management and has experience of over 13 years in pharmaceutical Marketing and General Management. He was appointed as the Executive Director of the company with in 2011. Prior to his appointment as Executive Director of the Company, he has worked as Wholtime / Executive Director of Makers Laboratories Ltd. from May 1999 till August, 2011.

**E. Kamal Kishore Seth**

Mr. Kamal Kishore Seth, aged 74 years, is a Commerce and Law Graduate, Fellow of the Institute of Chartered Accountants of India, a qualified Company Secretary and also has diploma in Management Studies from Jamnalal Bajaj Institute of Management Studies. He has nearly 4 decades of experience in multi-national companies like Wyeth, Hindustan Unilever and Reliance Group in leadership positions in the functional areas such as Finance, Commercial, Marketing, Risk Management, Business Management, Investment and General Management with

profit center responsibilities in multiple sectors including Drugs & Pharmaceuticals, FMCG, Fiber & Petrochemicals, Energy, Infrastructure and Real Estate. Mr. Seth has a wide range of international exposure in dealing with Fortune 500 companies.

He is also a Director of Indo-Vietnamese Chamber of Commerce and Industry.

**F. Harish P. Kamath**

Mr. Harish P Kamath, Corporate Counsel & Company Secretary of the Company is aged 59 years and is a graduate in Commerce and Law from University of Bombay and also is an Associate Member of the Institute of Company Secretaries of India. He has nearly 35 years of experience in Legal, Company Secretarial, Finance and General Management functions. He has been the Company Secretary of the Company since 1993.

## **Schedule 8: Details of the business turnaround of the Corporate Debtor**

The Resolution Applicant proposes to carry out 2 lines of businesses with the assets of the Corporate Debtor namely, Drug & Intermediate division and Explosives division.

The Resolution Applicant plans to manufacture key intermediates used in API's business such as Losartan Potassium (Cardiovascular), Valsartan (Cardiovascular), Frusemide (Diuretic), Chlorthalidone (Diuretic) and Hydrochlorthiazide (Diuretic) for captive consumption. This will streamline the API manufacturing capabilities of the Resolution Applicant and remove the disruptions in the supply of these raw materials. The Resolution Applicant has developed in-house technology to manufacture these key API's/Intermediates, to significantly reduce the dependence on imports.

The Resolution Applicant is a global leader in APL's - Losartan Potassium, Valsartan, Frusemide, Chlorthalidone and Hydrochlorthiazone, which is exported throughout the globe. The Resolution applicant shall manufacture these API's and the raw materials required for their manufacturing to further augment its capabilities.

The Resolution Applicant has recognized in-house R&D center's for API's as well as Formulations. The same are recognized by Department of Scientific and Industrial Research, New Delhi. The Resolution Applicant significant investments in creating the necessary infrastructure in these recognized in-house R&D center's which have state of the art equipment along with highly skilled scientists / manpower. These R&D centers help the Resolution Applicant in achieving self-reliance in APIs and Intermediates which must be otherwise imported.

The acquisition of the Corporate Debtor, the Resolution Applicant will make an entry into the Explosives sector. The Resolution Applicant will make necessary investments to restart this line of business of the Corporate Debtor. The required R&D will be carried out at the existing R&D centers of the Resolution Applicant as they are well equipped for the same. The Resolution Applicant will make the necessary upgradations and enhancement to the existing manufacturing set up of the emulsified explosives business of the Corporate Debtor. The Resolution Applicant will develop marketing and distribution capabilities for these emulsified Explosives. Hence with necessary R&D capabilities, Financial strengths, manufacturing infrastructure, distribution channels backed by professional management, the Resolution Applicant will make significant inroads in the Explosives business in the time to come.

The Resolution Applicant is of the opinion that the Drug & Intermediate division will commence from third year from the Completion Date, as it would take nearly one year for receiving environmental clearances and further one year for erection of plant and obtaining various regulatory approvals. The Resolution Applicant estimates that Rs.12.67 Crore shall be required towards working capital in the Drug & Intermediate division based on

projections, from third year onwards. Capital Expenditure towards Drug & Intermediate is estimated to be Rs.260.00 Crore. Thus, total investment for Drug & Intermediate division is estimated to be Rs. 272.67 Crore, which shall be endeavored to be done over a span of 2 years from the Completion Date.

In the Explosives division, a Capital Expenditure Rs.10.00 Crore and Working Capital Rs. 8.31 Crore has been estimated. Capital Expenditure of Rs. 10 Crore includes repair and refurbishment of the existing machinery of the Corporate Debtor. The total investment for the Explosive division is estimated at Rs.18.31 Crore, which shall be endeavored to be done over a span of 1 year from the Completion Date.

**Combined Profit & Loss Projections of Drug & Intermediate division and Explosives division**

	<b>Year Ended 31st Mar</b>	<b>Year - I</b>	<b>Year - II</b>	<b>Year - III</b>	<b>Year - IV</b>	<b>Year - V</b>	<b>Year - VI</b>
	(Amt in Rs. Crore)						
<b>A</b>	<b>Total Income</b>	<b>49.74</b>	<b>58.21</b>	<b>153.22</b>	<b>204.95</b>	<b>235.51</b>	<b>251.09</b>
<b>B</b>	<b>Operating Expenses</b>						
	Material Cost	38.91	45.50	104.00	135.90	154.06	163.25
	Power, Fuel & Water	1.01	1.18	8.86	11.53	13.63	14.88
	Repairs & Maintenance	0.00	0.00	4.13	4.55	5.00	5.50
	Stores, Spares	0.45	0.53	1.40	1.93	2.21	2.46
	Lab Expenses	0.00	0.00	0.64	0.69	0.75	0.80
	ETP Expenses	0.00	0.00	0.50	0.75	1.25	1.40
	<b>Total Variable Cost</b>	<b>40.37</b>	<b>47.21</b>	<b>119.53</b>	<b>155.35</b>	<b>176.90</b>	<b>188.29</b>
	<b>Contribution</b>	<b>9.37</b>	<b>11.00</b>	<b>33.68</b>	<b>49.60</b>	<b>58.61</b>	<b>62.80</b>
	<b>Contribution %</b>	<b>18.84 %</b>	<b>18.90 %</b>	<b>21.98 %</b>	<b>24.20 %</b>	<b>24.89 %</b>	<b>25.01 %</b>
	Wages & Salaries (Factory)	3.27	3.53	13.24	14.31	15.45	16.70
	Other Annual Expenses	1.77	1.95	4.20	4.59	4.97	5.34
	<b>Total Operating Expenses</b>	<b>45.41</b>	<b>52.69</b>	<b>136.97</b>	<b>174.25</b>	<b>197.32</b>	<b>210.33</b>
<b>C</b>	<b>EBIDTA</b>	<b>4.33</b>	<b>5.52</b>	<b>16.24</b>	<b>30.70</b>	<b>38.19</b>	<b>40.76</b>
	<b>EBIDTA as % of total income</b>	<b>8.7%</b>	<b>9.5%</b>	<b>10.6%</b>	<b>15.0%</b>	<b>16.2%</b>	<b>16.2%</b>

**Standalone Profit & Loss Projections of Drug & Intermediate division**

	<b>Year Ended 31st Mar</b>	<b>Yr - I</b>	<b>Yr - II</b>	<b>Year- III</b>	<b>Year- IV</b>	<b>Year- V</b>	<b>Year- VI</b>
	(Amt in Rs. Crore and Qty in MT)						
	<b>License Capacity MTPA</b>			<b>780</b>	<b>780</b>	<b>780</b>	<b>780</b>
	Lasamide 5(Aminosulfonyl)-2,4- Dichlorobenzoic Acid			240	240	240	240
	MV(I) HCl N(2'-cyano[1-1'-Biphenyl]4- yl)methyl) methylester. Monohydrochloride			120	120	120	120
	DSA 4-Amino-6-Chloro - 1,3 - Benzene Disulphonamide			100	100	100	100
	CPSP 3(3-sulphamyl-4chlorophenyl )phthalimidine			80	80	80	80
	BCFI 2Butyl-4Chloro- 5Formylimidazole			240	240	240	240
	<b>Production MT/PA</b>			<b>390</b>	<b>585</b>	<b>700</b>	<b>700</b>
	<b>Total Capacity Utilisation %</b>			<b>50%</b>	<b>75%</b>	<b>90%</b>	<b>90%</b>
A	<b>Income</b>			86.54	129.80	155.76	171.34
	<b>Total Income</b>			<b>86.54</b>	<b>129.80</b>	<b>155.76</b>	<b>171.34</b>
B	<b>Operating Expenses</b>						
	Material Cost			51.92	77.23	91.90	101.09
	Power, Fuel & Water			7.50	10.00	12.00	13.25
	Repairs & Maintenance			4.13	4.55	5.00	5.50
	Stores, Spares			0.80	1.25	1.50	1.75
	Lab Expenses			0.64	0.69	0.75	0.80
	ETP Expenses			0.50	0.75	1.25	1.40
	<b>Total Variable Cost</b>			<b>65.49</b>	<b>94.47</b>	<b>112.40</b>	<b>123.79</b>
	<b>Contribution</b>			<b>21.04</b>	<b>35.33</b>	<b>43.36</b>	<b>47.55</b>
	<b>Contribution %</b>			<b>24.32%</b>	<b>27.22%</b>	<b>27.84 %</b>	<b>27.75%</b>
	Wages & Salaries (Factory)			9.43	10.19	11.00	11.90
	Other Expenses			2.07	2.27	2.50	2.75
	<b>Total Operating Expenses</b>			<b>76.99</b>	<b>106.93</b>	<b>125.90</b>	<b>138.44</b>
C	<b>EBIDTA</b>			<b>9.54</b>	<b>22.87</b>	<b>29.86</b>	<b>32.90</b>
	<b>EBIDTA as % of total income</b>			<b>11.0%</b>	<b>17.6%</b>	<b>19.2%</b>	<b>19.2%</b>

**Standalone Profit & Loss Projections of Explosives division**

	<b>Year Ended 31st Mar</b>	<b>Year - I</b>	<b>Year-II</b>	<b>Year-III</b>	<b>Year-IV</b>	<b>Year - V</b>	<b>Year-VI</b>
	(Amt in Rs. Crore and Qty in MT)						
	<b>License Capacity MTPA</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>
	Large Dia Production MTPA	12300	14200	16100	18000	18000	18000
	Small Dia Production MTPA	2700	3300	3900	4500	4500	4500
	<b>Total Capacity Utilisation %</b>	<b>60%</b>	<b>70%</b>	<b>80%</b>	<b>90.0%</b>	<b>90%</b>	<b>90%</b>
A	<b>Income</b>						
	Net Sales Large Dia	38.13	44.02	49.91	55.80	57.82	57.82
	Net Sales Small Dia	11.61	14.19	16.77	19.35	21.93	21.93
	<b>Total Income</b>	<b>49.74</b>	<b>58.21</b>	<b>66.68</b>	<b>75.15</b>	<b>79.75</b>	<b>79.75</b>
B	<b>Operating Expenses</b>						
	Material Cost	38.91	45.50	52.08	58.67	62.16	62.16
	Power, Fuel & Water	1.01	1.18	1.36	1.53	1.63	1.63
	Stores, Spares	0.45	0.53	0.60	0.68	0.71	0.71
	<b>Total Variable Cost</b>	<b>40.37</b>	<b>47.21</b>	<b>54.04</b>	<b>60.88</b>	<b>64.50</b>	<b>64.50</b>
	<b>Contribution</b>	<b>9.37</b>	<b>11.00</b>	<b>12.64</b>	<b>14.27</b>	<b>15.25</b>	<b>15.25</b>
	<b>Contribution %</b>	<b>18.84%</b>	<b>18.90%</b>	<b>18.96%</b>	<b>18.99%</b>	<b>19.12%</b>	<b>19.12%</b>
	Wages & Salaries (Factory)	3.27	3.53	3.81	4.12	4.45	4.80
	Other Expenses	1.77	1.95	2.13	2.32	2.47	2.59
	<b>Total Operating Expenses</b>	<b>45.41</b>	<b>52.69</b>	<b>59.98</b>	<b>67.32</b>	<b>71.42</b>	<b>71.89</b>
C	<b>EBIDTA</b>	<b>4.33</b>	<b>5.52</b>	<b>6.70</b>	<b>7.83</b>	<b>8.33</b>	<b>7.86</b>
	<b>EBIDTA as % of total income</b>	<b>8.7%</b>	<b>9.5%</b>	<b>10.0%</b>	<b>10.4%</b>	<b>10.4%</b>	<b>9.9%</b>

**Combined Working Capital Requirements of Drug & Intermediate division and Explosives division**

<b>Fixed Investments</b>	<b>Explosives</b>	<b>Drug &amp; Intermediates</b>	<b>Total (In Rs. Crore)</b>
Building	-	50.00	50.00
Plant & Machinery	5.00	150.00	155.00

Pre-Production Expenses	3.00	10.00	13.00
Utilities	2.00	50.00	52.00
<b>Sub Total</b>	<b>10.00</b>	<b>260.00</b>	<b>270.00</b>
Working Capital	8.31	12.67	20.98
<b>Total Investments</b>	<b>18.31</b>	<b>272.67</b>	<b>290.98</b>

**Combined Working Capital Requirements of Drug & Intermediate division and Explosives division**

Particulars	Explosives	Drug Intermediates	Total (In Rs. Crore)
Raw Materials	3.20	6.49	9.69
Work-in-Progress	0.12	5.46	5.58
Finished Goods	1.90	7.21	9.11
Debtors	4.09	0.00	4.09
Creditors	-1.00	-6.49	-7.49
<b>Total</b>	<b>8.31</b>	<b>12.67</b>	<b>20.98</b>

**Standalone Working Capital Requirements of Drug & Intermediate division**

Particulars	Months	Amount (In Rs. Crore)
Raw Materials	1.5	6.49
Work-in-Progress	1.0	5.46
Finished Goods	1.0	7.21
Debtors	0.0	0.00
Creditors	1.5	-6.49
<b>Total</b>		<b>12.67</b>

**Standalone Working Capital Requirements of Explosives division**

Particulars	Months	Amount (In Rs. Crore)
Raw Materials	1 Mth.	3.20
Work-in-Progress	7 days	0.12
Finished Goods	15 days	1.90
Debtors	30 days	4.09
Creditors	10 days	-1.00
<b>Total</b>		<b>8.31</b>

**Schedule 9: Indicative list of consents / certificates / permissions required by the Resolution Applicant**

Sr. No.	Particulars of License/Permission/Certification/Registration	Reference Act	Govt. Dept. / Agencies
<b><u>Land, Environment, Building Approval</u></b>			
1	NOC from local body for Environment Clearance	Environment Impact Assessment (EIA) Notification, 2006	Gram Panchayat or local body
2	Building plan approval	Respective State Planning Act	Town & country
3		Local MIDC Rules	On Govt. industrial area land
4		Factories Act	Director of Industry
5	Membership from Solid waste management Company	The Hazardous Wastes (Management and Handling) Rules, 1989 amended 2008	Solid waste management company
6	NOC from Ground water Board	Notification Central Ground Water Authority	Central Ground Water Authority
7	Fire NOC	Local MIDC Rules	Fire department of respective town
<b>Export Related</b>			
8	Industrial entrepreneurs memorandum (IEM)	Industries (Development and Regulation) Act 1951	Issued by Secretariat of Industrial approval - Delhi
9	EPCG License - (Export promotional capital goods scheme)	Foreign Trade Policy 2015-2020	Issued by Directorate general of foreign trade (DGFT) Mumbai.
<b>(C) State Excise</b>			
10	Form-D.S.-4 (Licence For The Possession And Use In Industries Of Spirit Denatured By Special Process	Madhya Pradesh Excise Act 1915	District State Excise Officer
11	Form-R.S.-2A ( Licence For The Possession And Use In Industries Of Absolute Alcohol	Madhya Pradesh Excise Act 1915	District State Excise Officer

<b>(D) State Sales Tax</b>			
12	Profession Tax certificate	Under Sub-Section of (1) of Section 5 of the Maharashtra State Tax on Profession, Trade, Callings and Employments Act,1975	Govt Dept (Sales Tax Dept)
<b>(E) District Magistrate - Collector</b>			
13	Form-A -Licence For Possession, Consumption And Sale Of Poison ( For Methanol )	Poison Act,1919	District Magistrate.
<b>(F) Narcotics</b>			
<b><u>New High Tension Line installation /connection</u></b>			
14	New High Tension installation /connection permission	Indian electricity act	State Electricity Board
15	Drawing approval of the installation for Electrical safety	Indian electricity Rule	Electrical inspector, State Govt.
16	Electrical safety clearance	Indian electricity Rule	Electrical inspector, State Govt.
17	Permission to connect electrical line from grid	Indian electricity Rule	Electrical inspector, State Govt.
<b><u>New Diesel generator installation</u></b>			
18	Drawing approval for the installation	Indian electricity Rule	Electrical inspector, State Govt.
19	Electrical safety clearance	Indian electricity Rule	Electrical inspector, State Govt.
20	Permission to run the DG set	Indian electricity Rule	Electrical inspector
<b><u>Installation and commissioning of new IBR Boiler</u></b>			
21	Inspection of fittings & accessories at site by the Director of Boilers	Boiler Act 1923	Director of Boilers, State Government
22	Permission for allotting the erection of IBR lines to approved IBR contractor	Boiler Act 1923	Director of Boilers, State Government
23	Approval of drawing of IBR lines	Boiler Act 1923	Director of Boilers, State Government
24	Hydraulic Test and inspection of Boiler	Boiler Act 1923	Director of Boilers, State Government
25	Issue of preliminary certificate to run the Boiler	Boiler Act 1923	Director of Boilers, State Government
<b><u>Installation IBR Line</u></b>			
26	Inspection of fittings of mounting & accessories at site by the Director of Boilers	Boiler Act 1923	Director of Boilers, State Government

27	Permission for allotting the erection of IBR lines to approved IBR contractor	Boiler Act 1923	Director of Boilers, State Government
28	Approval of drawing of IBR lines	Boiler Act 1923	Director of Boilers, State Government
29	Hydraulic Test	Boiler Act 1923	Director of Boilers, State Government
30	Issue of certificate to Charge the line	Boiler Act 1923	Director of Boilers, State Government
31	Annual inspection of IBR Boiler (renewal of certificate)	Boiler Act 1923	Director of Boilers, State Government
<b>Weights &amp; Measures</b>			
32	Calibration and certification of storage tanks (16 Solvant Tank)	Legal Metrology Act 2009	Department Of Weight & Measurement, State Government
33	Calibration and certification of storage tanks (3, HSD & LDO Tank)	Legal Metrology Act 2009	Department Of Weight & Measurement, State Government
34	Calibration and certification of weights & balance	The Weights & Measures Act (Regulations 1986)	Department Of Weight & Measurement, State Government
<b>Food &amp; Drug Licenses</b>			
35	Manufacture for Sale	Drug and Cosmetics rule 1945	Food & Drugs Administration & Central Drug Standard Control Organization
36	Storage & Sale	Drug and Cosmetics rule 1945	Food & Drugs Administration, State
37	WHO-GMP	Drug and Cosmetics rule 1945	Food & Drugs Administration & Central Drug Standard Control Organization
38	Certificate of Pharmaceutical product (for Export)	Drug and Cosmetics rule 1945	Food & Drugs Administration, State
<b>Human Resource</b>			
39	Registration Certificate	The Contract Labour (Regulation and	Labour Office

		Abolition) Act, 1970	
40	License for contractor	The Contract Labour (Regulation and Abolition) Act, 1970	Labour Office
41	PF establishment Code (employing 20 or more persons)	The employees Provident Fund and Miscellaneous provisions Act, 1952	PF authority
42	ESI establishment Code ( factory premises and establishments including the precincts where 10 or more persons are employed)	The Employees State Insurance Act, 1948	ESI authority
43	Factory License	The Factories Act, 1948	Directorate of Industrial Safety and Health
44	Employment Exchange (Registration) where ordinarily 25 or more persons are employed	The Employment Exchanges (Compulsory Notification of vacancies)Act, 1959	Local Employment Exchange
45	Apprenticeship Act (Registration)	The Apprentices Act, 1961	Board of apprenticeship Training
46	Labour Welfare Fund (Registration) (Employing 5 or more persons)	The Maharashtra Labour Welfare Fund Act in Maharashtra (Also it is applicable to respective states)	Labour Welfare Board
<b>Safety, Health and Environment: (SHE)</b>			-
47	LPG License (Form F)	Gas Cylinder Rule 2004	Dy.Chief Controller of Explosive
48	Petroleum Class B	The Petroleum Act 1934 (as amended till 1997)	Dy.Chief Controller of Explosive
49	Consent to operate AIR	Grant of Consent to Operate under section 25 of the Water (Prevention & Control of Pollution) Act, 1974 and under section 21 of the Air (Prevention & Control of	Pollution Control Board

		Pollution) Act, 1981 and Authorization under Hazardous & Other Waste (Management & Transboundary Movement) Rule, 2016.	
50	Consent to operate WATER		Pollution Control Board
51	Authorization for Hazardous waste		Pollution Control Board
52	Permission for transportation of Hazardous waste		
53	State pollution control board : consent		Pollution Control Board
54	License for storage of gas cylinder (Ammonia, Nitroen, Hydrogen, Chlorine) storage shed	Gas Cylinder Rules, including Amendment Rules, 2000 / 2004	Jt.Chief Controller of Explosive.
55	Certificate of stability of Building		Competent Person
56	Solvent Storage License / Petroleum Class A	The Petroleum Act 1934 (as amended till 1997)	Chief Controller of Explosive.
58	Hydrogen Bullet (Bulk Storage)	Explosive Act,1984 or the static and mobile pressure vessles (unifired) Rules ,1981	Dy.Chief Controller of Explosive.
59	Hydrogen Cylinder License	Explosive Act,1984 or the static and mobile pressure vessles (unifired) Rules ,1981	Chief Controller of Explosive.
60	Membership of E-Waste disposal		UNIQUE ECO Recycle(Govt. Aproved)

**Schedule 10: Details of old survey numbers of immovable property of the Corporate Debtor at Mouza Dhamangaon and Mouza Dongargaon, Tashil Seloo, District Wardha admeasuring 278.92 HR, as described below: -**

<b>Village</b>	<b>Survey No.</b>	<b>Hissa No.</b>	<b>Hectares</b>
<b>Dhamangaon</b>	1	3	0.21
	2	2	0.11
	3	1	2.95
	3	2	0.21
	5	2	0.07
	6	-	2.69
	7	2	0.07
		3	0.01
		4	0.04
	8	1	5.12
		2	0.1
		3	0.95
		4	0.98
		5	0.98
	9	1k	1.01
		2kh	
		2k	
	9	2g	0.36
	16	3	
	9	2kh	2.52
	16	2k	
	9	2gh	2.51
	16	2kh	
	15	2	2.85
	16	1	
	36	1k	0.66
	36	1kh	1.66
	36	2k	1.44
	36	2kh	1.4
	39	1k	5.84
		2k	
	39	1kh	
	39	1g	4.4
	39	2kh	
	44		
	42		0.46
	43		1.11
	46	1kh	0.56
		1g	0.18
		2	0.76
		3	1.37
	47	1	
	48	2	5.45
	48	1k	

	47	2g	1.21
	48	1g	
	49	1	0.36
	50	1	
	51-54	4	2.8
	51-52	5	
	51-52	1	2.51
	51-52	2	1.82
	53	2k	1.07
	53	2g	1.07
	65-66	2	3.4
	66	1	4.25
	10	1g	1
	10	2	0.6
	18	1kh	0.68
	16	3	
	17		
	18	9gh	4.39
	30	3kh	
	1	2	0.38
	9	1g	
		2ang	1.18
	36	1g	0.54
	53	1pt	1.1
	53	1pt	0.01
	53	2kh	1.47
	53	3	0.1
	53	4	2.02
	13/2		0.16
	14/2		0.15
	15/2		0.67
	16/2		0.10
	45		2.48
	44/2		1.18
	49		1.06
	46		0.88
	47		1.00
	48/2		0.77
	99/1		0.75
	99/2		0.87
	103		1.58
	104		0.49
	105		0.49
	105		0.49
	106		0.49
	107		0.57
	108		1.70
	109		1.80

	94		1.11
	97		1.74
	95		0.41
	51		1.92
	52		0.65
	98		3.78
<b>Dongargaon</b>	64	1	0.46
	66	4	4.00
	43		4.84
	44		0.85
	45		1.12
	37		1.54
	38		1.54
	34		3.32
	40		1.05
	39		0.60
	41		1.74
	42		0.20
	33		0.41
	35		0.09
	32		2.30
	31		0.81
	30		1.05
	29		1.76
	28		0.22
	27		1.18
	26		0.58
	25		0.22
	24		2.80
	23		5.63
	22		3.65
	34		2.54
	47		1.02
	48		0.81
	49		0.81
	51		0.81
	52		4.57
	53		3.15
	54		1.68
	55		0.93
	56		1.28
	57		1.34
	58		1.72
	59		0.84
	83		3.24
			3.24
	85		3.24
	86		3.24

	87		3.63
	81		1.93
	62		1.13
	61		0.88
	60		5.26
	64		0.86
	63		0.78
	80		3.80
	88		1.52
	89		1.28
	90		1.91
	91		1.32
	92		1.34
	93		0.81
	50		0.81
	94		1.56
	95		2.29
	96		0.74
	98		0.96
	101		0.09
	102		0.78
	103		0.62
	99		0.38
	104		0.11
	3		6.62
	4		5.22
	5		3.90
	6		1.00
	7		1.20
	8		0.98
	9		1.68
	10		0.14
	11		1.14
	12		1.14
	13		0.81
	15		0.30
	14		2.00
	16		0.65
	17		1.05
	18		0.41
	19		4.94
	20		1.23
	21		0.56
	66		4.00
	67		0.72
	68/1		1.02
	69/1		0.92
	70		3.52

	71		3.58
	78		0.70
	79		2.60

**New Survey numbers of the abovementioned land at Mouza Dhamangaon admeasuring 114.96 HR and Mouza Dongargaon admeasuring 162.94 HR, at TashilSeloo, District Wardha totalling to 277.90 HR, as described below: -**

<b>Mouza</b>	<b>Survey Number</b>	<b>Area in HR</b>
<b>Dhamangaon</b>	71	61.04
	72	1.90
	73	1.78
	74	5.66
	75	29.81
	76	10.19
	77	2.98
	78	1.60
	<b>Total</b>	<b>114.96</b>
<b>Dongargaon</b>	5-A	12.90
	5-B	8.32
	7-A	18.70
	7-B	8.54
	10	8.19
	11-A	2.23
	11-B	13.08
	12	1.12
	14	8.83
	15-A	1.22
	15-B	21.93
	16-A	1.28
	16-B	9.66
	18-A	6.66
	18-B	19.96
	19-A	4.99
	19-B	11.82
	22	1.51
	<b>Total</b>	<b>162.94</b>
		<b>+</b>
	<b>Total</b>	<b>277.90</b>

**\* It has been informed by the Resolution Professional that a fresh title search is being conducted and the same is currently under progress.**

**Schedule 11: Snapshot of List of Open Charges as per Information Memorandum  
Dated July 2019**

**List of Open Charges**

<b>Security Interest created in favour of</b>	<b>Amount</b>	<b>Date on which Charge is created</b>	<b>Property</b>
SICOM Limited	1,00,00,000	06.04.1998	Rollex Cartrigding Machine in the factory of Noble Explochem Limited, Hingni, Taluka Seloo, Dist. Wardha, April 1, 1998.
ICICI Bank	37,50,000	26.06.1987	The whole of the movable properties of the Company including its movable plant and machinery, machinery, spares, tools and accessories and other movables, both present and future (save and except book debts) whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of the security be brought into or upon or be stored or be in or about the Company's factories, premises and godowns or wherever else the same may be or be held by any party to the order or disposition of the Company or in the course of transit or on high seas or on order, or delivery, however and wheresover in the possession of the Company and either by way of substitution or addition.
Bank of India	50,00,000	12.12.1985	All those the tangible movable machinery and plant (both present and future) whether installed or not any whether lying loose or in cases at site or in transit or which may at any time during the continuance of this security be installed or lying loose or in cases or being in or upon or about Company's premises godown at Nagpur or wherever else the same may be or be held by any party anywhere to the order and disposition of the Company or in course or transit to the Company.
Industrial Development Bank of India	18,00,000	26.11.1985	A registered legal mortgage in English Form was created by the Company in favour of IDBI, in respect of all its immovable properties of the Company situated at villages Dhamangaon and Dongargaon, Taluka Seloo, District Wardha in the State of Maharashtra as security, inter alia, for the due repayment and discharge by the Company to IDBI of its FC loan of DM 427205 equivalent to about US \$ 145700 or about INR 18 Lakhs together with interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to IDBI under the said Loan Agreement.
Allahabad Bank	25,00,000	07.10.1985	The Company hereby charges and hypothecates by way of first charge in favour of the Bank all the present and future products, goods and movable property of any kind of the Company including all movable plant, engines and machinery, apparatus, tools, motor lorries and cars, furniture and stocks of and other materials whether raw or manufactured or in process of manufacture and other stocks and stores which now or hereafter from time to

Security Interest created in favour of	Amount	Date on which Charge is created	Property
			time during this security shall be brought in stored or be in or about the Company's premises or godowns in the State of Maharashtra or wherever else the same may be whether in possession of the Company or of any third party an property as may be in course of transit by ship, rail or otherwise (all of which said products, goods and property are hereinafter included in the expression ("the charged goods"))
IDBI Bank	1,57,50,000	19.12.1984	All the movables assets of the Borrower (save and except book debts) including moveable plant machinery, machinery spares, tools and accessories, and other movables both present and future etc. more particularly described in the schedule referred to in Deed of Hypothecation dated 19 <sup>th</sup> December, 1984 subject to prior charges created/to be created by the borrower in favour of its Bankers over its stocks of raw materials, semi-finished or finished goods, consumable stores, book debts, for securing borrowings for working capital requirements in the ordinary course of business.
ICICI Bank	1,30,00,000	13.12.1984	The whole of the moveable properties of the Company situated at Hingani, Dist. Wardha in the State of Maharashtra including the Company's movable spares, tools and accessories and other movables both present and future (save and except book debts)

*The security position and the charges pending satisfaction is being reviewed and is subject to modifications.*

**Schedule 12: Scheme For Reduction And Cancellation Of Capital Of Noble  
Explochem Limited And For Amalgamation**

**Between**

**Noble Explochem Limited**

**And**

**Ipca Laboratories Limited**

**PREAMBLE**

This Scheme of Amalgamation ('Scheme') provides for reduction and cancellation of capital of Noble Explochem Ltd and for amalgamation of Noble Explochem Ltd ('the Transferor Company') into IPCA Laboratories Limited ('the Transferee Company'). The Scheme should be construed to form an integral part of the Resolution Plan.

**A. PARTS OF THE SCHEME OF ARRANGEMENT AND AMALGAMATION:**

The Scheme is divided into the following parts:

<b>PART A</b>	Deals with the definitions and share capital
<b>PART B</b>	Deals with the reduction and cancellation of share capital of the Transferor Company
<b>PART C</b>	Deals with amalgamation of the Transferor Company with the Transferee Company
<b>PART D</b>	Deals with other terms and conditions applicable to this Scheme

## **PART A - DEFINITIONS & SHARE CAPITAL**

### **1. DEFINITIONS**

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 or Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.
- 1.2 **“Appointed Date”** means Effective Date as defined in the Resolution Plan, or such other date as may be determined mutually by the Board of the Transferee Company.
- 1.3 **“Board” or “Board of Directors”** means the Board of Directors of the Transferor Company or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the board of directors or such committee of directors.
- 1.4 **“Code”** means the Insolvency and Bankruptcy Code, 2016.
- 1.5 **“Merger Effective Date”** means the Completion Date as set out in the Resolution Plan.
- 1.6 **“National Company Law Tribunal” or “NCLT”** means the National Company Law Tribunal, Ahmedabad bench.
- 1.7 **“Resolution Applicant”** shall mean IPCA Laboratories Ltd, a company incorporated under the Companies Act, 1956.
- 1.8 **“Resolution Plan” or “Plan”** means this resolution plan dated August 16, 2019 submitted to the Resolution Professional and the CoC for the proposed insolvency resolution of the Corporate Debtor in accordance with the Code read with its schedules and annexure, along with modifications and amendments (if any) as mutually agreed with CoC and to be approved by the CoC and the Adjudicating Authority in accordance with applicable laws;.
- 1.9 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form as submitted with the NCLT or this Scheme with any modification(s) made under Clause 15 of the Scheme.
- 1.10 **“Transferee Company” or “Transferee”** means Ipca Laboratories Limited, a company incorporated under the Companies Act, 1956.
- 1.11 **“Transferor Company” or “Transferor”** means Noble Explochem Limited, a company to be incorporated under the Companies Act, 2013.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Resolution Plan, the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

2.1 The share capital of the Transferor Company is as under:

<b>Particulars</b>	<b>Amount in Rs.</b>
<b>Authorized Capital</b> - 1,92,28,100 Equity shares of INR. 10 each	19,22,81,000
<b>Total</b>	<b>19,22,81,000</b>
<b>Issued, Subscribed and Paid-up</b> - 1,92,28,100 Equity shares of INR. 10 each	19,22,81,000
<b>Total</b>	<b>19,22,81,000</b>

2.2 The share capital of the Transferee Company as March 31, 2019 is as under:

<b>Particulars</b>	<b>Amount in Rs.</b>
<b>Authorized Capital of 28,50,00,000 lakh Equity Shares of Rs. 2/- each</b>	57,00,00,000
<b>Total</b>	<b>57,00,00,000</b>
<b>Issued, Subscribed and Paid-up – 12,61,99,109 equity shares of Rs. 2/- each</b>	25,23,98,218
<b>Total</b>	<b>25,23,98,218</b>

## 3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the Merger Effective Date.

## **PART B – REDUCTION AND CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY**

### **4. REDUCTION AND CANCELLATION OF EQUITY SHARES OF TRANSFEROR COMPANY**

- 4.1 On the Scheme becoming effective, (a) the issued, subscribed and paid-up share capital amounting to INR 19,22,81,000 comprising 1,92,28,100 equity shares of the Transferor Company would stand reduced and cancelled on the Scheme becoming effective without payment of consideration.
- 4.2 Such reduction and cancellation of share capital of Transferor Company as provided in Clause 4.1 above shall be effected as an integral part of the Scheme under section 66 of the Act and the Orders of the Court sanctioning the Scheme shall be deemed to be an Order under Section 66 of the Act of 2013.
- 4.3 The following shall apply to cancellation of shares and capital reduction and cancellation,
- (A) the reduction and cancellation shall be applicable to all shareholders of the Transferor Company;
  - (B) the reduction and cancellation shall not require any payment by the Transferor Company to any of the shareholders;
  - (C) the reduction and cancellation shall be pursuant to the order of the NCLT and shall not require any other procedure as required under the Companies Act, including that under Section 66 of the Companies Act or regulations of the SEBI;
  - (D) shall not require the consent of any of the creditors of the Transferor Company or approval of the shareholders of the Transferor Company, as the Resolution Plan, upon being approved by the NCLT shall be binding on the Transferor Company and its stakeholders (including its creditors and shareholders), and in addition in accordance with Section 30 of the Code and the October 25 Circular, approval of the shareholders/members of the Transferor Company, which would have been required under Companies Act, 2013 or any other law if the resolution plan was being considered outside the scope of the Code, shall not be required for cancellation and issuance of shares and any other action under the Resolution Plan for its implementation. On approval of the Resolution Plan by the NCLT, the approval of the shareholders shall be deemed to have been given as per explanation of sec 30(2) of the Code for effecting cancellation of capital, revision of agreements, constitutional documents such as Memorandum of Association, Articles of Association and for implementation of any other actions under the Resolution Plan.

## **PART C - AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEREE COMPANY**

### **5. TRANSFER AND VESTING**

- 5.1 With effect from the Appointed Date, the Transferor Company including its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature including investments, shares, debentures, securities, loans and advances, licenses, permits, approvals, lease, tenancy rights, titles, permissions, if any, benefits of tax relief including under the Income-tax Act, 1961 (including but not limited to credit for advance tax, taxes deducted at source, taxes withheld/paid in foreign country, goods and services tax, etc.) and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever shall under the provisions of Sections 230 to 232 and pursuant to the orders of the NCLT or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Merger Effective Date shall stand transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.
- 5.2 Without prejudice to Clause 5.1, all movable assets including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, shares, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in Transferee Company without any notice or other intimation to the debtors (although Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in Transferee Company);
- 5.3 Upon approval of this Resolution Plan by the NCLT and since the Transferee will merge the Transferor which has not been in operation for more than 12 years, all subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Transferor or to which the Transferor is entitled or accustomed to (whether applied for renewal by the Transferor or not), shall, notwithstanding any provision to the contrary in their terms, be deemed to continue without disruption for the benefit of the Transferor/Transferee for a period of 2 (two) years and till such time, the Transferee will apply for fresh licenses. For the avoidance of doubt, it is hereby clarified that all consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Transferor or to which the Transferor is entitled or accustomed to, which have expired as of the Merger Effective Date, shall be deemed to continue without

disruption for the benefit of the Transferor/Transferee for a period of 2 (two) years or until renewed by the relevant authorities, whichever is later. Without any liability for the non-compliance during the time specified above, the Transferee undertakes to cause the Transferor to expeditiously identify such expired consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract,

lease or license, granted in favour of the Transferor or to which the Transferor is entitled or accustomed to, evaluate the steps required to address the same and take steps to remedy the same to the extent practically possible.

- 5.4 Upon implementation of the Resolution Plan, with effect from the Appointed Date, any claims by any person and any liabilities to any person (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) against the Transferor accruing due to the commencement or pendency of insolvency proceedings against the Transferor, whether arising under the terms of subsisting consents, licenses, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the Transferor or any contractual arrangements entered into by the Transferor, shall, notwithstanding any provision to the contrary in their terms, stand extinguished without any recourse and without any further act, instrument or deed and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.
- 5.5 Upon implementation of the Resolution Plan, with effect from the Appointed Date, (a) all the charges, securities, mortgages, liens and encumbrances on the assets of the Transferor Company shall forthwith and unconditionally stand released, (b) all outstanding letters of offers or invitations issued by the Transferor Company to any person, including the financial creditors, for subscription to share of the Transferor Company shall stand withdrawn, revoked and abandoned, (c) all powers of attorney and / or other corporate authorizations or mandates issued by the Transferor Company to any person to enable such person to carry out various functions of the Transferor Company, to sign and execute various documents and/ or represent the Transferor Company, and to operate the bank accounts of the Transferor Company (as defined in the Resolution Plan) shall stand revoked with immediate effect.
- 5.6 Upon implementation of the Resolution Plan, with effect from the Appointed Date, all inquiries, investigations and proceedings (including before the BIFR), whether civil or criminal, notices, causes of action, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings against, or in relation to, or in connection with the Transferor or the affairs of the Transferor, pending or threatened, present or future, (including without limitation, any investigation, action, proceeding, prosecution, whether civil or criminal, by the Central Bureau of Investigation, the Enforcement Directorate or any other regulatory or enforcement agency), in relation to any period prior to the Completion Date or arising on account of the acquisition of control by the Transferee over the Transferor pursuant to this Resolution Plan, including in relation to the Bombay Stock Exchange and Securities and Exchange Board of India, shall stand withdrawn or dismissed and all liabilities or obligations in relation thereto, whether or not set out in the balance sheets of the Transferor or the profit and loss account statements of the Transferor, will be deemed to have been written off in full and permanently extinguished and the Transferor or the Transferee shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto notwithstanding any adverse order that may be passed in respect of the same by any authority prior to or after the Completion Date. Upon approval of this Resolution Plan by the NCLT, all new inquiries, investigations, whether civil or

criminal, notices, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative proceedings will be deemed to be barred and will not be initiated or admitted against the Transferor in relation to any period prior to the acquisition of control by the Transferee over the Transferor or on account of the acquisition of control by the Transferee over the Transferor pursuant to this Resolution Plan.

5.7 (a) Upon implementation of the Resolution Plan, with effect from Appointed Date, an exemption shall be deemed to have been granted to the Transferee from the obligation to pay taxes (in addition to the exemptions granted under the Finance Bill, 2018, when approved) and stamp duty in respect of actions undertaken pursuant to the approval of the Resolution Plan by the NCLT, since such taxes and duties, if required to be paid, will render the Resolution Plan unviable for the Transferee in monetary terms. With effect from the Appointed Date, the actions undertaken pursuant to the implementation of the Resolution Plan shall be deemed to be exempt from any tax obligation under various taxing statutes, including but not limited to Sections 50B, 50C, 50CA, 56 and 115JB under the Income-tax Act as well as the Central Goods and Services Tax Act, 2017 (as amended from time to time) and the provisions of the Indian Stamp Act, 1899 (as amended from time to time) and other laws relating to payment of stamp duty applicable in any state. The Transferor shall be entitled to carry forward the unabsorbed depreciation and accumulated losses and to utilize such amounts to set off future tax obligations. This Scheme has been drawn up to comply with the conditions relating to “amalgamation” as specified under Section 2(1B) of the Income -tax Act, 1961. If any terms or provisions of the Scheme are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall to the extent of such inconsistency prevail and the Scheme shall stand modified to that extent to comply with Section 2(1B) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.

5.8 On the approval of this Scheme by the NCLT, shareholders and creditors of both the companies shall be deemed to have accorded all relevant consents under the Act or the Code or other applicable laws or otherwise to the same extent applicable in relation to this Scheme and all related matters set out hereto.

5.9 Upon approval of the Resolution Plan by the NCLT, immunity shall be deemed to have been granted to the Transferor Company from any actions and penalties (of any nature) under any laws for any non-compliance of laws in relation to the Transferor or by the Transferor, which was existing as on the Merger Effective Date.

Pursuant to the Scheme becoming effective, Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which Transferor Company is a party in order to give formal effect to the above provisions. Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of Transferor Company to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.

## **6. CONSIDERATION**

The resolution of the Transferor Company by the Transferee Company in accordance with the Resolution Plan shall be due consideration for this Scheme.

## **7. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY**

- 7.1 Pursuant to the order of the NCLT approving the Resolution Plan, any debit or credit, being the balancing figure, arising as a result of giving effect to the Resolution Plan, will be adjusted by the Transferor Company in the capital reserve at its sole discretion in compliance with the applicable accounting standards.
- 7.2 Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for by the Transferee Company with effect from the Appointed Date as per applicable accounting standards.
- 7.3 With effect from the Appointed Date, the entire existing share capital of the Transferor in existence on the date of approval of the Resolution Plan by the NCLT shall be deemed to have been reduced, cancelled and delisted from all stock exchanges in line with Delisting Notification in line with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (“**Delisting Regulations**”) to delisting of equity shares of a listed entity and the rules, regulations and notifications thereunder.

## **8. CONDUCT OF BUSINESS TILL MERGER EFFECTIVE DATE**

Till the Merger Effective Date:

- a. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to business of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Merger Effective Date.
- b. The Transferor Company shall not, except in the ordinary course of business or without prior written consent of the Monitoring Agency alienate charge, mortgage, encumber or otherwise deal with or dispose of any of its properties or part thereof of the Transferor Company.
- c. The Transferor Company shall not vary the terms and conditions of employment of any of the employees of the Transferor Company without the prior consent of the Monitoring Agency.

## **9. EMPLOYEES**

- a) On the Scheme becoming effective the workmen and employees of the Transferor Company will be employed by the Transferee Company on their suitability and as per operational requirements. Suitable augmentation of human resources to implement the Resolution Plan will be undertaken by the Transferee Company. The Transferee Company reserves the right to replace/remove existing employees to bring in operational efficiencies in the operations. The Transferee Company may also enter into appropriate agreements with the employees of the Transferor Company in respect of their terms of employment.

- b) In relation to those employees of the Transferor Company who are employed by the Transferee Company after scheme becoming effective for whom the Transferor Company are making contributions to the government provident fund, the Transferee Company shall stand substituted for such Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees of the Transferor Company.
- c) On the Scheme becoming effective, all key managerial personnel of the Transferor Company including the chief executive officer, chief operating officer and chief financial officer shall be deemed to have resigned.

#### **10. LEGAL PROCEEDINGS**

- a) If any suit, appeal or other proceeding of whatever nature by the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by the Transferor Company as if this Scheme had not been made.

#### **11. CONTRACTS, DEEDS, ETC.**

- a) Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of Intent, undertakings, arrangements, policies, agreements of whatsoever nature for the benefit of the Transferor Company to which the Transferor Company is party and subsisting or having effect on the Merger Effective Date, shall be in full force and effect in favour of the Transferee Company, as the case may be, and may be enforced by the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- b) The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

#### **12. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and assets under Clause 5 above and the continuance of proceedings by the Transferor Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Merger Effective Date (both days inclusive), to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company during the aforesaid period in respect thereto as done and executed on behalf of the Transferee Company.

### **13. DISSOLUTION OF THE TRANSFEROR COMPANY**

With effect from the Appointed Date, the Transferor Company shall undertake a capital reduction and cancellation of its entire existing equity shareholding whereby the entire equity share capital of the Transferor Company shall stand reduced and cancelled without the requirement of writing the words “and reduced” in the corporate name and style of the Transferor Company and simultaneously merge with the Transferee Company. On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.

## **PART D - GENERAL TERMS AND CONDITIONS**

### **14. APPLICATION TO NCLT**

The order passed by the NCLT under the provisions of the Code shall be deemed to order under sections 66 and 230 to 232 of the Companies Act.

### **15. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- a) The Transferor Company and the Transferee Company by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). The Transferor Company and the Transferee Company by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- b) If any part of this Scheme hereof is invalid, ruled illegal by NCLT of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective shareholders or creditors, in which case the Scheme will be modified to such extent, as will best preserve for the them the benefits and obligations of the Scheme, including but not limited to such part.
- c) Each of the entities involved in the Scheme shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the NCLT or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

### **16. CONDITIONALITY OF THE AMALGAMATION**

This Amalgamation is and shall be conditional upon and subject to:

- a) The Resolution Plan and the Scheme being sanctioned by the NCLT as an integral part of the resolution plan of the Transferee Company under the Code.
- b) Certified copy of the Orders of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.
- c) The requisite, consent, approval or permission of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained.

## **17. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the Resolution Plan or this Scheme not being obtained and/ or the Resolution Plan or Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before 12 months or within such further period or periods as may be agreed upon between the Transferor Company and Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated herein or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

## **18. RELIEFS AND CONCESSIONS**

All rights, title, interest, benefits, reliefs and concessions sought in the Resolution Plan shall be deemed to be included in this Scheme and shall be deemed to have been granted.

**Exhibit 1**

**Financial Creditors included in CoC**

<b>Sr. No.</b>	<b>Name</b>	<b>Admitted Claim</b>	<b>Admitted Allocated in Resolution Plan</b>
		<b>(in Rs. Lakhs)</b>	<b>(in Rs. Lakhs)</b>
<b>Financial Creditors - Unrelated Party</b>			
1	Yatish Trading Company Private Limited	8,700.97	4,698.52
2	DIL Ltd	1,126.81	608.48
	<b>Total - A</b>	<b>9,827.78</b>	<b>5,307.00</b>
<b>Financial Creditors - Related Party</b>			
1	Tikam Chand Kothari	226.33	423.49
2	Ramesh Bhimraj Kothari	218.92	
3	Madhukar Ramchandra Chandurkar	203.34	
4	Sunil Kothari	30.98	
5	Sameer Prakash Maheshwari	27.56	
6	Salvia Investment & Traders Pvt Ltd	25.97	
7	Prashant Kothari	14.36	
8	Piyush Kothari	11.44	
9	Ramesh Bhimraj Kothari	10.33	
10	Siddharth Creations	7.61	
11	Piyush Kothari	7.4	
	<b>Total - B</b>	<b>784.24</b>	
	<b>Grand Total - A + B</b>	<b>10612.02</b>	<b>5730.49</b>

## SUMMARY OF THE RESOLUTION PLAN:

17. From the total of ₹69 Crore upfront payment agreed by the successful Resolution Applicant under the Resolution Plan, a total sum of ₹57.30 crore is being given to the Financial Creditors. Similarly, to Workmen and Employees ₹83.27 lakh is being provided. In both the cases, i.e in respect of Financial Creditors as well as workmen and employees about 54% of total admitted claim is being paid. To the Operational Creditors and for other statutory liability, a sum of ₹12.67 lakh is being paid which accounts for about 9% of their total admitted claim. The IRP Cost of about ₹2.1 Lakh or the actuals will be paid in full. The total, therefore, of upfront payment in the Resolution Plan comes to ₹69 Crore.

The amounts provided for the stakeholders under the Resolution Plan is elaborated as under:

Sr No	Description	Total Claim	Admitted Claim	Amount Distributed	% of Distribution under Resolution Plan	% Recovery of Admitted Claim
<b>A</b>	<b>Financial Creditors- Unrelated Party</b>					
1.	Yatish Trading Company Private Limited	8,700.97	8,700.97	4,698.52	68%	54%
2.	DIL Ltd	1,126.81	1,126.81	608.48	8.82%	54%
	<b>Total -A</b>	<b>9,827.78</b>	<b>9,827.78</b>	<b>5,307.00</b>	<b>77%</b>	<b>54%</b>
<b>B</b>	<b>Financial- Creditors Related Party</b>					
1	Tikam Chand Kothari	283.61	226.33	122.22	1.77%	54%
2	Ramesh Bhimraj Kothari	218.92	218.92	118.22	1.71%	54%
3	Madhukar Ramchandra Chandurkar	304.65	203.34	109.80	1.59%	54%
4	Sunil Kothari	30.98	30.98	16.73	0.24%	54%
5	Sameer Prakash Maheshwari	45.66	27.56	14.88	0.22%	54%
6	Salvia Investment & traders Pvt Ltd	34.62	25.97	14.02	0.20%	54%
7	Prashant Kothari	14.56	14.36	7.75	0.11%	54%

8	Piyush Kothari	11.5	11.44	6.18	0.09%	54%
9	Ramesh Bhimraj Kothari	10.33	10.33	5.58	0.08%	54%
10	Siddharth Creations	8.18	7.61	4.11	0.06%	54%
11	Piyush Kothari	7.4	7.4	4.00	0.06%	54%
	<b>Total-B</b>	<b>970.41</b>	<b>784.24</b>	<b>423.49</b>	<b>6%</b>	<b>54%</b>
<b>1</b>	<b>Total Financial Creditors – A+B</b>			<b>5,730.49</b>		
<b>2</b>	<b>Workman &amp; Employees</b>	<b>2243.51</b>	<b>1534.79</b>	<b>832.77</b>	<b>12.07%</b>	<b>54%</b>
<b>3</b>	<b>Operational Creditor &amp; Statutory Liability</b>	<b>1537.59</b>	<b>1401.13</b>	<b>126.74</b>	<b>1.84%</b>	<b>9%</b>
<b>4</b>	<b>IRP Costs (estimated upto March 2020 or at actuals)</b>	<b>-</b>	<b>-</b>	<b>210.00</b>	<b>3.04%</b>	<b>100%</b>
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>6,900.00</b>	<b>100%</b>	

#### 19. Payment of insolvency resolution process costs (IRPC)

- a. The Resolution Professional submits that the estimated IRPC (budgeted till March 2020) is likely to be ₹210 Lakhs (Rupees Two Hundred Ten Lakhs). In the event that the final IRPC as on the Effective Date, exceed **₹210 Lakhs (Rupees Two Hundred and Ten Lakhs)**, the amounts payable to the creditors including but not limited to operational creditor, financial creditors, employees and workmen under this Resolution Plan may be adjusted accordingly. IRPC shall be paid in priority to the payment of other debts of the Corporate Debtor. The IRPC shall be paid within **15 (Fifteen)** days from the date of the receipt of the certified copy of the approval of the Resolution Plan.

#### 20. Payment to operational creditor and statutory liabilities

- a. Section 30 (2) (b) of the Code stipulates that the amount to be paid to operational creditors in the event of a liquidation of the corporate debtor under section 53 shall not be less than:

- i. The amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or
- ii. The amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53, whichever is higher.

**21.** Accordingly, the Operational Creditors (including statutory liability) shall be paid an amount of ₹126.74 Lakhs (INR One Hundred Twenty-Six Lakhs and Seventy-Four Thousand) out of the total consideration in settlement of their total claims. The distribution of the consideration to the Operational Creditors shall be in proportion to their admitted claims in accordance to the Resolution Plan.

**22.** Payment to Workmen & Employees

- i. The claims of the Workmen & Employees including their unpaid provident fund, pension fund, gratuity dues and all such other claims/benefits/dues which are accrued/admitted/denied, shall be settled at **₹832.77 Lakhs** (INR Eight Hundred Thirty-Two Lakhs and Seventy Seven Thousand), which shall be paid out of the Total Consideration to all stakeholders as laid out in this Resolution Plan. The amount due to the workmen and employees under the Resolution Plan shall be given priority in payment over financial creditors as per Regulation 38(1) of the CIR Regulations. It is submitted that in the event of liquidation, the amount payable to the workmen and employees would have been **₹277.51 Lakhs**.

**23.** Payment to related Financial Creditors:

- i. The claims of the Related Financial Creditors shall be settled at an amount of **₹423.49 Lakhs** (INR Four hundred twenty-three lakhs and forty nine thousand). It is submitted that in the event of liquidation, the amount payable to the related financial creditors would have been **₹ 347.33 Lakhs**.
- ii. The claims of the Unrelated Financial Creditors shall be settled at an amount of ₹ 5,307.00 Lakhs (INR Five thousand three hundred and seven lakhs).
- iii. It is submitted that in the event of liquidation, the amount payable to the related financial creditors would have been ₹4352.91.

**24. Payment to any Other liability, incl-Contingent liabilities**

- i. Any liabilities claim and debts, both current and future, arising out of the on-going litigations, shall not be a liability on the Resolution Applicant in the event of adverse outcome.

**25. Shareholders and other Persons**

- i. It is submitted by the Resolution Applicant, if the Corporate Debtor were to be liquidated on the Insolvency Commencement Date, the amount payable to equity shareholders would be NIL, in accordance with Sec 53 of the Code.
- ii. Accordingly, in line with the Securities & Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations 2018, dated May 31, 2018 (“**Delisting Notification**”), the Resolution Applicant proposes to delist and subsequently cancel the existing share capital of the Corporate Debtor without any considerations/paying of dues to the existing promoters or any other shareholders.

**26. Capital Expenditure and Working Capital Margin**

- i. The Resolution Applicant may undertake further capital expenditure of ₹270 Crore (INR Two Hundred Seventy Crore) and infusion of working capital fund amounting to ₹20.98 Crore (INR Twenty Crore Ninety-Eight Lakhs), totalling to ₹290.98 (INR Two Hundred Ninety Crore and Ninety-Eight Lakhs) to improve the efficiency of the plant and will implement suitable projects to make the operations more competitive within 3 (Three) years from the Completion Date.

**27. The Applicant hereby submits that the Resolution Plan submitted by IPCA**

Laboratories Ltd and approved unanimously by Committee of Creditors has been examined and the said Resolution Plan

- i) Provides for payment of insolvency resolution process costs in a manner specified by the board in priority to the payment of other debts of Corporate Debtor.
- ii) Provides for payment of the debts of the Operational Creditors in such manner as specified by Regulation 38 (1) of the IBBI (Insolvency Resolution Process for Corporate Persons Regulations) 2016.

iii) Provides for management of the affairs of the Corporate Debtor after the approval of the Resolution Plan.

iv) Does not contravene any of the provisions of the law for the time being in force.

The Copy of the Resolution Plan of IPCA Laboratories along with Compliance Certificate issued by the Applicant in Form-H.

## **FINDINGS**

**28.** On hearing the submissions made by the Learned Counsel for the Resolution Professional, the Resolution Plan in hand satisfies the minimum threshold of approval by 66% majority of the Coc. Hence, as per the Coc, the plan stands the requirement of being viable and feasible for revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench.

**29.** With reference to paragraph 25.6 in the Resolution Plan, it is observed by this Bench that since this Resolution Plan is approved and Order is pronounced, the issue regarding the validity of the Plan for a period of 12 months from the submission date becomes redundant.

**30.** The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect and the “Moratorium” imposed under section 14 shall cease to have any effect henceforth. The Resolution Professional shall submit the records collected during the commencement of the Proceedings to the Insolvency & Bankruptcy Board of India for their record and also return to the Resolution Applicant or New Promoters. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance. That liberty is hereby granted for moving any Miscellaneous Application if required in connection with implementation of this Resolution Plan. That in respect of stepping by the New Promoters/Resolution Applicant into the shoes of the erstwhile Company and taking over the business, the provisions of Companies Act, 2013 shall be applicable and because of this reason a

copy of this Order is to be submitted in the Office of the Registrar of Companies,  
Mumbai.

- 31.** The RP is further directed to handover all records, premises/factories/documents to Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records/premises/factories/documents through Resolution Professional to finalise the further line of action required for starting of the operation.
- 32.** The directions embodied and period of implementation provided hereinabove shall be effective from the date of receipt of this Order.

**Sd/-**

**CHANDRA BHAN SINGH  
MEMBER (TECHNICAL)**

**Date: 22.01.2020**

ss

**Sd/-**

**RAJASEKHAR V.K  
MEMBER(JUDICIAL)**