



14th April, 2023

The Secretary The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot No. C/1, G Block Bandra - Kurla Complex, Bandra (E) MUMBAI - 400 051	Department of Corporate Services BSE Limited 1 st Floor, New Trading Ring, Rotunda Building P J Towers, Dalal Street, Fort, MUMBAI - 400 001
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Ref: Disclosure under CIRP pursuant to Regulation 30 read with Schedule III, Part A, Para A, Clause 16 and other applicable Regulations of SEBI (LODR) Regulations, 2015 - Salient features and details of Resolution Plan as approved by Hon'ble NCLT

Dear Sir,

This is in continuation to our disclosure dated 31st March, 2023, wherein we had informed of the approval of Resolution plan by Hon'ble National Company Law Tribunal, Bench Mumbai (NCLT) in the matter of Finquest Financial Solution Private Limited (hereinafter, "Successful Resolution Applicants" or "SRA" or "FFSPL") versus respect of Ballarpur Industries Limited (hereinafter, "BILT" or "Company"). The requisite copy of Order is attached.

As per requirements of Regulation 30 read with Schedule III, Part A, Para A, Clause 16 and other applicable Regulations of SEBI (LODR) Regulations, 2015, specific features and details of the Resolution Plan as approved by the Hon'ble Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016, are as follows:

1. Pre and Post net-worth of the Company

The net-worth of the Company as on 31.12.2019 before initiation of CIRP (on 17.01.2020) was INR (48,480) lacs. The net-worth of the Company as on 31.03.2020 was INR (1,22,203) lacs.

The post CIRP net-worth of the Company shall be available post implementation of the Resolution Plan from the appointed date.

2. Details of the Assets of the Company Post CIRP

The details of the assets and its treatment are elaborated on pages nos 20 to 23 (both inclusive) of the attached Order.

The Resolution Professional/management and officers of the Company shall allow possession of the premises/offices of the Company, handover of/access to all the properties (including but not limited to moveable and immovable, tangible and intangible, personal and real, corporeal and incorporeal), any and all assets and right, title and interest in all properties, fixtures, equipment and available spare parts and any other such

Ballarpur Industries Ltd. (CIN: L21010MH1945PLC010337)

Corp Office : First India Place, Tower C, Mehrauli Road, Gurgaon, Haryana - 122 002 (India) T: +91 124 2804242/43 F: +91 124 2389495, 2560021
Regd. Office: P.O. Ballarpur Paper Mills, Distt. Chandrapur - 442 901, Maharashtra (India) T: +91 7172 240262/240200, F: +91 7172 240548



AVANTHA
GROUP COMPANY

component, to the extent available, pledge release forms on and from the Closing Date.

All charges, encumbrances created or suffered to exist over the assets of the Company or over the securities of the Company in favour of each of the secured Financial Creditors whether by contract or by Applicable Law, whether created for the benefit of the Company or any third party, shall stand unconditionally and irrevocably terminated, released, cancelled, discharged, extinguished or withdrawn upon payments to such secured Financial Creditors in accordance with this Resolution Plan.

Further all other charges, encumbrances created or suffered to exist over the assets of the Company or over the securities of the Company (including any priority of claims that could have otherwise been claimed by the tax authorities under Section 281 of the Income Tax Act 1961 ("IT Act")), in favour of any person, whether by contract or by Applicable Law, whether created for the benefit of the Company or any third party, shall stand unconditionally and irrevocably terminated, released, cancelled, discharged, extinguished or withdrawn on the Closing Date.

3. Details of securities continuing to be imposed on the Companies' assets

All charges, encumbrances created or suffered to exist over the assets of the Company or over the securities of the Company in favour of each of the secured Financial Creditors whether by contract or by Applicable Law, whether created for the benefit of the Company or any third party, shall stand unconditionally and irrevocably terminated, released, cancelled, discharged, extinguished or withdrawn upon payments to such secured Financial Creditors in accordance with this Resolution Plan.

4. Other Material Liabilities imposed on the company

There are no material liabilities imposed on the Company pursuant to attached Order.

5. Detailed of post shareholding pattern as per the resolution plan

Particulars		Proposed		Existing paid up share capital	Proposed Reduction in paid up share capital (%)
		Amount	% holding		
(Rs. Crore)					
Fresh Equity Share Capital (face value of Rs.10 each)					
1	Promoters / Promoters Group (existing)	0.000	0.0%	6.920	100
2	Resolution Applicant	46.750	85.0%	0	NA
3	Financial Creditors	4.125	7.5%	80.700	94.89
4	Existing Shareholders other than promoters / promoters group	4.125	7.5%	171.070	97.59
Total		55.000	100.0%	258.690	



6. Details of funds infused in the Company, creditors paid-off

Sr. No.	Source of Funds	Rs. Crore																		
1.	<p>Upfront Cash by Resolution Applicants within 60 days of the Approval Date. The utilisation thereof, will be in the following order of priority: (Rs. Crore)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">CIRP Cost*</td> <td style="text-align: right;">64.82</td> </tr> <tr> <td>Additional amount towards CIRP Costs</td> <td style="text-align: right;">15.08</td> </tr> <tr> <td>Workmen Liquidation Dues</td> <td style="text-align: right;">9.00</td> </tr> <tr> <td>Employees</td> <td style="text-align: right;">0.49</td> </tr> <tr> <td>Government Dues</td> <td style="text-align: right;">0.32</td> </tr> <tr> <td>Financial Creditors</td> <td style="text-align: right;">109.29</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">199.00</td> </tr> </table> <p>Source of Funds –Resolution Applicants will infuse the amount in the form of equity of INR 46.75 Cr and the remaining amount by way of unsecured, subordinated debt instrument/term loan/quasi equity instruments, either directly by itself or through its Affiliates or Financial Investors.</p> <p>* If the CIRP Cost exceeds INR 79.90 crore (64.82 crore +15.08 crore), then the incremental amount beyond INR 79.90 crore shall be adjusted from the funds embarked for settlement of financial creditors claim.</p>	CIRP Cost*	64.82	Additional amount towards CIRP Costs	15.08	Workmen Liquidation Dues	9.00	Employees	0.49	Government Dues	0.32	Financial Creditors	109.29	Total	199.00	199.00				
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Total	199.00																			
2.	<p>Debt by way of unsecured, subordinated debt instruments / term loans / quasi equity instruments to be infused into the Corporate Debtor and will be utilized for the following purpose:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Timelines for utilization</th> <th style="width: 20%;">Amount</th> <th style="width: 60%;">Utilisation</th> </tr> </thead> <tbody> <tr> <td>Within 1 year</td> <td style="text-align: center;">55.00</td> <td>Capex / Working Capital</td> </tr> <tr> <td>Within 1 year</td> <td style="text-align: center;">8.12</td> <td>Other operational creditors</td> </tr> <tr> <td>Within 2 years</td> <td style="text-align: center;">49.87</td> <td>Redemption of Cumulative Redeemable Preference Shares (CRPSs)</td> </tr> <tr> <td>Within 3 years</td> <td style="text-align: center;">116.25</td> <td>Redemption of Non-Convertible Debentures (NCDs)</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">229.24</td> <td></td> </tr> </tbody> </table> <p>Source of Funds – Resolution Applicant to infuse the financial outlay into the Corporate Debtor either directly by itself or through its Affiliates or Financial Investors.</p>	Timelines for utilization	Amount	Utilisation	Within 1 year	55.00	Capex / Working Capital	Within 1 year	8.12	Other operational creditors	Within 2 years	49.87	Redemption of Cumulative Redeemable Preference Shares (CRPSs)	Within 3 years	116.25	Redemption of Non-Convertible Debentures (NCDs)	Total	229.24		229.24
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Total	229.24																			

As

3.	Sale of assets within 3 (Three) years from the date of upfront payment. The net realization from the sale will be utilized for redemption of NCDs issued to the Financial Creditors	277.00
4.	Conversion of part of admitted debt of Financial creditors into equity	4.13
	Total	709.37

Sr. No.	Application of Funds	INR Crore
1.	Payment towards Corporate Insolvency Resolution Process Costs on actual basis ("CIRP Cost")	79.90
2.	Upfront Payment to the Operational Creditors in terms of this Resolution Plan	8.12
3.	Payment to the workmen & employees	9.49
4.	Payment to Government	0.32
5.	Upfront payment to Dissented Financial creditors	49.83
6.	Upfront payment to Assenting Financial Creditors	59.82
4.	Redemption of NCDs issued of INR 393.25 crore, to Assenting Financial Creditors.	393.25
5.	Redemption of CRPs issued of INR 49.87 crore, to Assenting Financial Creditors.	49.87
6.	Conversion of part of admitted debt of Financial creditors into equity	4.13
7.	Meeting the requirements of working capital and capital expenditure	55
	Total	709.37

7. Additional liability on incoming investors due to the transaction, source of such funding etc.

There is no additional liability on the incoming investor due to the transaction except as mentioned in the Resolution Plan. The source of fund is given in point 6 above.

8. Impact on the investor – revised P/E, RONW ratios etc:

The impact on Investor is given in point 5 above, further to envisaged the above shareholding pattern:

- The existing Equity Shares of the Corporate Debtor held by the Promoters / Promoters Group shall be extinguished and those held by persons other than Promoters / Promoters Group shall be written down such that their existing holding of Rs. 251.77 crores (Rupees Two Hundred Fifty One Crores and Seventy Seven Lakhs Only) being shares with face value of Rs. 2 (Two) constituting 97.32% stake

shall be reduced to Rs. 4.125 crores (Rupees Four Crores and Twelve Lakhs Fifty Thousand Only) being shares with face value of Rs. 10 (Ten) constituting 7.5% stake in the proposed shareholding pattern.

- The Corporate Debtor will issue fresh equity shares of face value of Rs.10 each at par aggregating to Rs.46.75 crores (Rupees Forty Six Crores Seventy Five Lakhs Only) to the Resolution Applicant / its Affiliates and Rs.4.125 crores (Rupees Four Crores Twelve Lakhs Fifty Thousand Only) to the existing Financial Creditors subject to Clause 4.6.2, as envisaged in the Resolution Plan.
- The revised projected financials and P/E, RONW, ratios etc. are not known at the moment.

9. Details of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;

Finquest Financial Solutions Private Limited (FFSPL), the Flagship company under the umbrella of the FINQUEST Group and is promoted by the Late Mr. Bharat J. Patel and his family members i.e. Mrs Minal Bharat Patel, Mr Hardik Bharat Patel and Mr Ruchit Bharat Patel. It was incorporated on June 3, 2004 (CIN: U74140MH2004PTC146715) and its registered office address is 602, Boston House, 6th Floor, Suren Road, Andheri (East), Mumbai – 400 093.

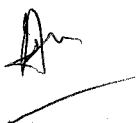
FFPSL is RBI registered Systemically Important Non-Deposit Taking Non-Banking Financial company [NBFC-ND-SI] deploying funds across the Capital Structure in Companies that have the emphasis on long term returns. FFSPL has been investing across in Capital Market, Real Estate, SME Funding along with investments in Stressed Assets in India focussing on assets that have potential to revive with its expertise in financial turnaround along with management expertise in successful turnaround of the enterprise.

As on March 31, 2020, the net worth and the assets under management of the Resolution Applicant is about Rs.149.93 crores (Rupees One Hundred and Forty Nine Crores and Ninety Three Lakhs Only) and Rs.766 crores (Rupees Seven Hundred and Sixty Six Crores Only), respectively.

10. Brief description of business strategy:

The Resolution Applicants undertake to implement the Resolution Plan as under:

- a) pay the Insolvency Resolution Process Cost as per the Code and Regulations;
- b) pay the amounts, as mentioned under the Resolution Plan, to the Operational Creditors in priority to the payments to the Financial creditors;
- c) pay upfront cash to the dissenting Financial Creditors in priority to the payments to the assenting Financial Creditors as per the Code and Regulations. Further, after the

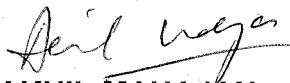


payment it would be deemed that, the dissenting Financial Creditors shall release charge over the assets of the Corporate Debtor, if any, and grant the no objection certificate towards the sale of non-core assets, as mentioned under the Resolution Plan.

- d) Infuse INR 55 crore in the form of equity or debt or a combination of both into the Corporate Debtor within 1 (One) year from the date of upfront payment to meet the Capex and Working Capital requirements of the Corporate Debtor.
- e) The primary objective of this Resolution Plan is to conduct a financial and operational restructuring of the business of the Corporate Debtor, to address the problems leading to its insolvency. The Resolution Plan is focused on restoring the business of the Corporate Debtor as a solvent, self-sustaining enterprise that can service all its obligations to its creditors, and prosper and grow its business in future years, for the benefit of all stakeholders involved in, or impacted by, the CIRP of the Corporate Debtor. Within this overall vision, and compliance with Applicable Laws, the Resolution Plan seeks to:
- Maximise financial recovery to lenders;
 - Address obligations owed to other stakeholders to the best extent possible;
 - Induct professional leadership and best in class corporate governance;
 - Invest in improving operating processes, quality focus, information systems and technology of the business of the Corporate Debtor; and
 - Create capacity and opportunities for future growth of the business of the Corporate Debtor.
 - Reduce operational by retrenching a portion of the workforce as required in the best interest of the Corporate Debtor as a Going Concern.
- f) The Resolution Applicant will assess revenues, costs, pricing strategies, costing systems and implement suitable operational and financial controls. Risk management policies and enterprise resource planning mechanisms will be set-up. Close monitoring of the monthly cashflows vis-à-vis projections has to be done, analysed critically and timely corrective action will be taken up.

You are requested to take the aforesaid on record.

Yours faithfully,
for **BALLARPUR INDUSTRIES LIMITED**


AKHIL MAHAJAN
COMPANY SECRETARY

Encl: As above

(Ballarpur Industries Limited is undergoing Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code 2016. The affairs, business and assets of the corporate debtor are being managed by Mr. Anuj Jain, Resolution Professional vide Hon'ble National Company Law Tribunal, Principal bench, New Delhi order dated May 27, 2020)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT-III**

**I.A. No. 1143 of 2022
IN
C.P. No. 2915 of 2019**

In the matter of an Application under Section 30(6) and Section 31 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

Concur

In the matter of

Finquest Financial Solutions Private Limited

... Financial Creditor

V/s.

Ballarpur Industries Limited

... Corporate Debtor

I.A. No. 1143/2022

Mr. Anuj Jain

...Applicant/Resolution Professional

Reserved for orders on: **10.01.2023**

Order pronounced on: **31.03.2023**

Coram:

Hon'ble Shri H. V. Subba Rao, Member (Judicial)

Hon'ble Smt. Madhu Sinha, Member (Technical)

Appearance (through video conferencing):

For the Applicant: Mr Pradeep Sancheti, Advocate a/w Mr. Somesh

Srivastava, Advocate and Mr. Yashish Chandra,
Advocate i/b Trilegal.

Per: H. V. Subba Rao, Member (Judicial)

1. This is an Application filed under Section 30(6) and Section 31 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the Code) read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as the CIRP Regulations, 2016) filed by the Resolution Professional seeking approval of the Resolution Plan submitted by the Resolution Applicant Finquest Financial Solutions Private Limited (hereinafter referred to as the Finquest/ Resolution Applicant), which was approved by 88% voting share of the members of the Committee of Creditors (hereinafter referred to as 'COC').
2. The facts leading to the Application are as under:
 - a. Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was initiated by this Bench by an order dated 17.01.2020 under section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'the Code') (Admission Order) and Mr. Divyesh Desai, was appointed as Interim Resolution Professional. The IRP, constituted the Committee of Creditors. The COC in its 1st meeting held on 20.02.2020, in the said meeting the members of COC proposed to replace the IRP with Mr. Anuj Jain as the Resolution Professional ("RP") which was approved with 67.43% members voting in favour of the same.
 - b. On 27.02.2020 and 28.02.2020, the erstwhile IRP appointed BDO Valuation Advisory LLP and RBSA Valuation Advisors LLP respectively to carry out valuation and the liquidation valuation of the Corporate Debtor in accordance with Regulation 35 of the CIRP Regulations. These valuers had submitted their reports. The Liquidation and Fair value of the Corporate Debtor is as follows:

Fair Value	Liquidation Value
Rs. 977,51,62,500.00 /-	Rs. 649,00,93,750.00 /-

- c. On 27.05.2020, the Hon'ble Principle Bench, National Company Law Tribunal, New Delhi vide its order permitted the appointment of Mr. Anuj Jain as Resolution Professional (hereinafter referred to as 'RP') (Present Applicant) of the Corporate Debtor.
- d. RP on 01.07.2020, published Form G in Business Standard (All India Edition in English), Financial Express (All India Edition in English), Sakal (Chandrapur, Maharashtra Edition in Marathi), Jansatta (Gurugram Edition in Hindi), Dainik Tribune (Yamunangar, Haryana Edition in Hindi) and Surya (Warangal, Telangana Edition in Telegu), inviting prospective Resolution Applicants to participate in the resolution process of CIRP of the Corporate Debtor (hereinafter referred to as "EoI"). It is respectfully submitted that the following entities had submitted the EoI:
- i. ITC Limited
 - ii. Trident Limited
 - iii. West Coast Group (West Coast Paper Ltd & Andhra Paper Ltd)
 - iv. Jindal Flexifilms Limited and Jindal Poly Films
 - v. Riddhi Siddhi Gluco Biols Limited
 - vi. KLJ Resources Limited
 - vii. BILT Graphic Paper Products Limited
 - viii. Star Paper Mills Limited
 - ix. Edelweiss Asset Reconstruction Company Limited
 - x. Asset Reconstruction Company (India) Limited
 - xi. Kotak Special Situation Fund
 - xii. India Resurgence Fund
 - xiii. International Asset Reconstruction Company Private Limited
 - xiv. JC Flowers Asset Reconstruction Company
 - xv. Prudent ARC

- xvi. UV Asset Reconstruction Company Limited
 - xvii. Suraksha Asset Reconstruction Limited
 - xviii. JM Financial Asset Reconstruction Company Limited
 - xix. Finquest Financial Solution Private Limited
- e. On 08.07.2020, with a view to form an opinion under Regulation 35A on preferential and other transactions, the RP appointed Grant Thornton India LLP (hereinafter referred to as “GT”) to carry out transaction audit of the Corporate Debtor.
- f. On 15.09.2020, the Tribunal allow I.A. No. 1175 of 2020 and granted exclusion of 129 days along with time taken in adjudication of the said Application from computation of the deadline of 180 days for completion of CIRP. Thus, the time period of 180 days for completion of CIRP stood extended till 20.12.2020.
- g. On 23.10.2020, the RP had revised the constitution of CoC and thereafter filed an affidavit placing on record the revised list of creditors of the Corporate Debtor as on 22.10.2020 before the Hon’ble Tribunal. For ready reference, the details of CoC members have been tabulated below:

Sr. No.	Financial Creditors	Claimed Amount (in Crores)	Admitted Amount (in Crores)	Voting Share %
1	IDBI Bank Ltd.	850.82	850.15	26.78%
2	Suraksha Asset Reconstruction Ltd.	462.75	462.75	14.58%
3	Orbit Investment Securities Plc	328.90	328.90	10.36%
4	Axis Bank Limited	207.80	207.80	6.55%
5	Varanium India Opportunity	187.56	187.56	5.91%
6	Finquest Financial Solutions Ltd.	199.91	174.74	5.50%
7	Kotak Mahindra Bank Ltd.	206.63	146.57	4.62%

Sr. No.	Financial Creditors	Claimed Amount (in Crores)	Admitted Amount (in Crores)	Voting Share %
8	Punjab National Bank (E-OBC)	138.83	138.83	4.37%
9	Edelweiss Asset Reconstruction Company Ltd.	133.80	-	0.00%
10	LIC of India	125.23	125.23	3.94%
11	Phoenix ARC Limited	91.68	91.68	2.89%
12	HDFC Bank Ltd.	88.50	88.50	2.79%
13	EXIM Bank	81.28	81.28	2.56%
14	DBS Bank Ltd	70.08	70.08	2.21%
15	Deutsche Bank Ltd	63.56	63.56	2.00%
16	Indusind Bank Ltd.	173.45	61.93	1.95%
17	The Hongkong and Shanghai Banking Corporation Ltd.	48.49	48.49	1.53%
18	Federal Bank	44.65	44.65	1.41%
19	CITI Bank	3.59	2.03	0.06%
20	ICICI Bank	370.72	-	0.00%
21	Indian Overseas Bank	16.83	-	0.00%
Total		3,895.06	3,174.74	100.00%

- h. On 15.12.2020, in view of the directions of the CoC issued in 13th meeting of CoC, the Applicant approached this Tribunal *vide* IA No. 2396 of 2020 seeking extension of CIRP period for further period of 90 days, which was allowed by this Tribunal on 01.02.2021 extending the deadline for conclusion of CIRP by a period of 90 (ninety) days i.e., upto 20.03.2021.
- i. On 21.05.2021, Finquest submitted its resolution plan for approval of the CoC. The Applicant perused the resolution plan and highlighted legal issues relating to the said plan to the CoC and Finquest. The RP and CoC shared their detailed comments on the resolution plan on legal and commercial issues (including on legal compliance) on the resolution plan received from Finquest. On 31.05.2021, 18th CoC meeting was conducted

by the RP wherein, the RP apprised the CoC regarding the contours of the resolution plan. Which was revised and submitted on 01.09.2021 and was shared with the COC on 16.09.2021. The same was rejected by the COC in its 23rd meeting dated 20.09.2021.

- j. On 27.08.2021, RP filed IA No. 1995 of 2021 seeking an order for exclusion of a total number 229 days from the computation of the period/timeline of 270 days for completion of CIRP of Corporate Debtor, which was duly allowed by the Tribunal on 01.10.2021 vide order in the I.A. No. 1995 of 2021 (i.e., IA for exclusion of 229 days from deadline for completion of CIRP), extending the CIRP period till the next date of hearing (i.e., 25.10.2021).
- k. Since there was no resolution plan to be submitted under Section 30(6) of the Code before this Tribunal before the expiry of maximum period permitted for completion of the Corporate Insolvency Resolution Process, the Applicant filed an application bearing I.A. No. 2510 of 2021 under Section 33(1) and Section 34(1) of the Insolvency and Bankruptcy Code, 2016 seeking liquidation of the Corporate Debtor. This Tribunal heard the Liquidation Application in detail and allowed the I. A. No. 2510 of 2021 i.e., Liquidation Application *vide* order dated 25.01.2022 which was uploaded on the website of the Tribunal on 22.02.2022.
- l. Before said order dated 25.01.2022 could be available on official website of the Tribunal, on 08.02.2022, Finquest submitted a revised resolution plan dated 07.02.2022. Accordingly, the RP called 24th CoC Meeting on 11.02.2022 to discuss the revised resolution plan dated 07.02.2022 received from Finquest. In the 24th CoC Meeting, the summary of revised resolution plan dated 07.02.2022 was presented before the CoC. In the said CoC meeting, the RP was directed to approach the Tribunal with an application seeking appropriate directions as regards consideration of the revised resolution plan dated 07.02.2022.

- m. Accordingly, the Applicant filed an application bearing I.A. No. 402 of 2022, seeking directions regarding consideration of revised resolution plan dated 07.02.2022, which was duly dismissed by this Tribunal on 21.02.2022, while observing that the application for liquidation (i.e., IA No. 2510 of 2021) has been allowed and the order dated 25.01.2022 for liquidation of corporate debtor has already been passed and uploaded on the website of this Tribunal.
- n. This Tribunal on 01.03.2022 *vide* its order disposed I. A. No. 1995 of 2021 (i.e., IA for exclusion of 229 days from deadline of CIRP) on the ground of being infructuous post liquidation order dated 25.01.2022.
- o. Subsequently, Finquest filed an appeal bearing Company Appeal (AT) (Insolvency) No. 227 of 2022 before Hon'ble Appellate Tribunal against the order dated 25.01.2022 (i.e., order for liquidation) passed by this Tribunal.
- p. On 07.03.2022, The Hon'ble Appellate Tribunal *vide* its order dated 07.03.2022 in Company Appeal (AT) (Insolvency) No. 227 of 2022 stayed the order of liquidation dated 25.01.2022 and directed the CoC to reconsider the revised resolution plan dated 07.02.2022 within a period of 6 (six) weeks. Further, the Hon'ble Appellate Authority directed the Applicant to convene a meeting of CoC.
- q. In March 2022, the Applicant had appointed Pipara & Co LLP (hereinafter referred to as "PCO LLP") to re-assess the eligibility of Resolution Applicant under Section 29A of the Code.
- r. On 14.03.2022, in compliance of the order dated 07.03.2022 of the Hon'ble Appellate Tribunal, 25th CoC meeting was convened by the RP. In the said meeting the revised resolution plan dated 07.02.2022 was placed before CoC for discussion and certain clarifications/ negotiations ensued between CoC and Resolution Applicant regarding certain terms of the revised resolution plan dated 07.02.2022.

- s. On 21.03.2022, PCO LLP has provided its report confirming that Finquest is not ineligible under Section 29A of the Code to submit the Final Resolution Plan for the Corporate Debtor.
- t. The Applicant submits the claims received and admitted by Resolution Professional as under:

Summary of Claims (Amount in Crores)			
Sr. No.	Type of Creditor	Claimed	Admitted
1.	Financial Creditors (Secured)	3390.54	1993.62*
2.	Financial Creditors (Unsecured)		1181.11
3.	Operational Creditors (Employee and Workmen Dues)	122.94	78.92
4.	Operational Creditors (Governmental Dues)	33.08	15.98
5.	Operational Creditors (Others)	193.76	160.57
6.	Other Creditors (Related Parties)	1306.58	84.28
7.	Other Creditors (Edelweiss ARC)	133.24	0.00#
Total		5046.89	3514.48

Note * Includes claims admitted by RP of both fully and partially secured creditors.

Note # Re.1 admitted by RP as per Information Memorandum.

- u. The CoC in its 26th CoC meeting held on 22.03.2022 (e-voting concluded on 14.04.2022) considered the final Resolution Plan of Finquest Financial Solutions Private Limited and approved the Plan with a voting share of 88%.
- v. Thereafter, on 19.04.2022, in view of the approval of Final Resolution Plan by CoC, the Hon'ble Appellate Tribunal has set aside the order of liquidation dated 25.01.2022. The Hon'ble Appellate Tribunal has further directed the Applicant to approach this Tribunal as per the applicable provisions of law for approval of the Final Resolution Plan and to undertake any other consequential steps in this regard. Additionally, the Hon'ble Appellate Tribunal has extended the CIRP timeline up till 30.04.2022.
- w. In view of the above directions on 21.04.2022, the Letter of Intent was issued to Finquest and thereafter the instant application has been filed by the Applicant.

- x. The Final Resolution Plan has been examined by the Applicant herein and has been found to be compliant with the mandatory provisions of Section 30(2) of the Code and the relevant Regulations. As per the requirements of Regulation 39(4) of the CIRP Regulations, 2016, Compliance Certificate in Form 'H' from the Resolution Professional.

3. The Salient Features of the Resolution Plan are as under:

- a. The Resolution Applicant is Finquest Financial Solutions Private Limited (FFSPL), the flagship company under the umbrella of the FINQUEST Group and is promoted by the Late Mr. Bharat J. Patel and his family members i.e., Mrs. Minal Bharat Patel, Mr. Hardik Bharat Patel and Mr. Ruchit Bharat Patel. It was incorporated on June 3, 2004 (CIN: U74140MH2004PTC146715) and its registered office address is at 602, Boston house, 6th Floor, Suren Road, Andheri (East), Mumbai – 400093.
- b. FFPSL is RBI registered Systemically Important Non-Deposit Taking Non-Banking Financial company (NBFC-ND-SI) deploying funds across the Capital Structure in Companies that have emphasis on long term returns. FFPSL has been investing across in Capital Market, Real Estate, SME Funding along with investments in Stressed Assets in India focussing on assets that have potential to revive with its expertise in financial turnaround along with management expertise in successful turnaround of the enterprise.
- c. The Ballarpur Industries Limited (the Corporate Debtor) is a public limited company incorporated in India with Corporate Identity Number L21010MH1945PLC010337 and has its registered office at P O Ballarpur Paper Mills, Chandrapur, Ballarpur - 442901, Maharashtra, India. The Corporate Debtor was incorporated on 26th April, 1945. Its authorised share capital is Rs. 400,00,00,000/- and the issued & paid-up equity share capital is Rs. 258,69,11,490/- (Face value of equity shares being Rs. 2 each). The shares are listed on Bombay Stock Exchange and

National Stock Exchange. The Corporate Debtor is one of the largest manufacturers of writing & printing (W&P) paper in India and has been in business since 1945. The Corporate Debtor has one integrated paper manufacturing facility at Yamuna Nagar in Haryana known as Shree Gopal Unit and one rayon grade wood pulp facility in State of Telangana known as Kamalapuram Unit.

- d. NCLT Approval Date: Shall mean the date on which the resolution plan is approved by the NCLT. It is clarified that, if at all any stay or order is granted by any court/ tribunal, the implementation of the plan shall be dealt with in accordance with such order of court/ tribunal in such eventuality and the NCLT Approval Date shall be accordingly construed.
- e. Closing Date: 60 days from the NCLT Approval Date.
- f. The Resolution Plan proposes a total Consideration of **Rs. 700 Crores (Rupees Seven Hundred Crores Only)** for the settlement of claims by the Resolution Applicant.

4. The details of the proposed payments are as follows:

A) Corporate Insolvency Resolution Process Costs

- i. The Resolution Professional informed the Resolution Applicant, that as on 28.02.2022, the revised estimated unpaid CIRP Costs amounts to Rs. 64.82 Crores (Rupees Sixty Four Crores Eighty Two Lakhs Only). The aforesaid sum of Rs. 64.82 Crores (Rupees Sixty Four Crores Eighty Two Lakhs Only) has been provided towards the unpaid CIRP Costs as a part of the Total Financial Outlay.
- ii. Further, on the NCLT Approval Date, the Resolution Professional shall provide a statement containing details of the CIRP Costs to the Resolution Applicant, and the same shall be treated as part of the Total Financial Outlay, for acquiring the Corporate Debtor as a going concern. The actual CIRP Costs shall be paid in priority to any other creditor of the Corporate Debtor.

- iii. The estimated CIRP Costs for the next one year from 01.03.2022 to 28.02.2023 is Rs. 15.08 Crores as provided by the RP on 16.03.2022. Out of the estimated CIRP Costs of Rs. 15.08 Crores for the next 1 (one) year, a sum of Rs. 5.71 Crores has already been provided for in the Total Financial Outlay. The balance sum of Rs 9.37 crores will be met out of the surplus generated if any shall be funded by the Resolution Applicant to the extent of such gap over and above the Total Financial Outlay.
- iv. If the aggregate of outstanding CIRP Costs exceeds Rs 79.90 Crores (Rupees Seventy Nine Crores Ninety Lakhs Only), then the incremental amount beyond Rs 79.90 Crores (Rupees Seventy Nine Crores Ninety Lakhs Only) shall be adjusted from the funds earmarked for settlement of Financial Creditors claim. Accordingly, the amount proposed for settlement of Financial Creditors claim will be reduced on proportionate basis. However, in case the actual CIRP Costs incurred are less than Rs 70.53 Crores (Rupees Seventy Crores Fifty Three Lakhs Only), then in such a case the surplus amount shall be distributed to the assenting Financial Creditors pro rata to their payout as provided under the Resolution Plan.
- v. It is clarified that once the CIRP Costs have been paid in full, no Claims, Liabilities, Fines, Costs, Expenses or any other payment of such nature or otherwise, that are or are claimed to constitute CIRP Costs shall be payable by the Resolution Applicant.

B) Employee/ Workmen Claim

- i. The total Employee and Workmen dues admitted by the Resolution Professional is about Rs.78.92 Crores (Rupees Seventy Eight Crores And Ninety Two Lakhs). The break-up for Employee and Workmen dues as provided by the Resolution Professional is mentioned in the table below.

(Rs. Crore)

Sr. No.	Location	Employees 12 months before commencement date CIRP	Workmen 24 months before commencement date CIRP
1	Kamalapuram Unit	0.26	19.78
2	Shree Gopal Unit	0.93	6.61
Sub-Total (A)		1.19	26.39
		Employees dues more than 12 months before commencement date CIRP	Workmen dues more than 24 months before commencement date. CIRP
3	Kamalapuram Unit	8.76	24.44
4	Shree Gopal Unit	1.71	16.43
Sub-Total (B)		10.47	40.87
Total (A+B)		11.66	67.26

- ii. Resolution Plan provides for payment of Workmen Liquidation Dues to the extent of Rs. 9 crores (Rupees Nine Crores Only) and for payment, to the extent of Rs. 0.49 crores (Rupees Forty Nine Lakhs Only) to employees which shall both be on pro rata basis based on the admitted claims of the employees and workmen. If the actual amount payable towards outstanding Workmen Liquidation Dues exceeds Rs. 9 Crores (Rupees Nine Crores Only), the shortfall towards such outstanding Workmen Liquidation Dues, shall be adjusted from the funds earmarked for settlement of Financial Creditors claim. Accordingly, the amount proposed for settlement of Financial Creditors claim will be reduced on proportionate basis.
- iii. The Resolution Applicant shall pay an amount of Rs. 9.49 Crores (Rupees Nine Crores and Forty Nine Lakhs only) as full and final settlement/payment of the entire claim of the Employees and Workmen.

C) Financial Creditors

- i. The Financial Creditor claim admitted by the Resolution Professional is Rs. 3174.74 crores (Rupees Three Thousand One Hundred Seventy

Four Crores Seventy Four Lakhs only), of which Rs. 1993.62 crores (Rupees One Thousand Nine Hundred and Ninety Three Crores and Sixty Two Lakhs only) is Secured Financial Creditor claim and the remaining amount is Rs. 1181.11 Crores (Rupees One Thousand One Hundred Eighty One Crores and Eleven Lakhs Only) is Unsecured Financial Creditors claims.

- ii. The Resolution Plan provides for an aggregate payment of Rs. 556.53 crores (Rupees Five Hundred Fifty Six Crores Fifty Three Lakhs Only) to the Financial Creditors towards the full and final settlement of all the claims of the Financial Creditors. The Resolution Applicant proposes to distribute the said amount amongst the Financial Creditors based on the type, ranking and estimated value of the security interest for each creditor. Accordingly, the amount payable to the secured and unsecured Financial Creditors works out as under:

- a. Secured Financial Creditors and the Unsecured Financial Creditors

Financial Creditor	Voting %	Payout	Upfront	Equity	7% NCDs	0.01% CRPS
Suraksha ARC	14.58	186.87	44.03	0.53	140.43	1.88
Finquest	5.50	16.49	2.79	0.23	10.88	2.59
Orbit	10.36	15.00	0.82	0.43	6.37	7.38
PNB (OBC)	4.37	6.33	0.35	0.18	2.69	3.12
Phoenix	2.89	15.35	3.30	0.12	11.53	0.41
DBS	2.21	3.20	0.17	0.09	1.36	1.57
DB	2.00	2.90	0.16	0.08	1.23	1.43
IndusInd	1.95	2.82	0.15	0.08	1.20	1.39
HSBC	1.53	2.21	0.12	0.06	0.94	1.09
Federal	1.41	2.04	0.11	0.06	0.86	1.00
Citi	0.06	0.09	0.01	0.00	0.04	0.05
IDBI Bank	26.78	218.91	42.48	1.18	159.00	16.25
Axis	6.55	31.75	6.65	0.27	23.53	1.31
Varanium	5.91	8.55	0.47	0.24	3.63	4.21
LIC	3.94	20.21	4.31	0.16	15.18	0.56

Kotak	4.62	6.69	0.37	0.19	2.84	3.29
HDFC Bank	2.79	4.04	0.22	0.11	1.71	1.99
EXIM	2.56	13.08	2.79	0.11	9.82	0.36
Total	100.00	556.53	109.29	4.13	393.25	49.87

Note 1: The entire payout to the dissenting Financial Creditors shall be in cash.

Note 2: (i) Equity for Rs. 4.125 crores (Rupees Four Crores Twelve Lakhs Fifty Thousand Only) has been allocated to each Financial Creditor at approximately 0.13% of their respective admitted claims. The proposed amount of Equity may change if there is any assenting unsecured Financial Creditor who opts for upfront cash payment in lieu of Equity.

(ii) Of the balance available amount of Rs. 552.41 crores (Rupees Five Hundred Fifty Two Crores and Forty One Lakhs Only), a sum of Rs.467.26 crores (Rupees Four Hundred Sixty Seven Crores Twenty Six Lakhs Only) has been set apart for the secured claim of the Financial Creditors and balance amount of Rs.85.15 crores (Rupees Eighty Five Crores and Fifteen Lakhs Only) is set apart for the unsecured claim of the Financial Creditors.

Note 3: Separate series of secured and unsecured NCD's will be issued based on the current status of the assenting Financial Creditor. Therefore, a secured Financial Creditor shall be issued secured NCD's and unsecured Financial Creditor shall be issued unsecured NCD's in proportion set out in the table above.

Note 4: The unsecured assenting Financial Creditors may opt for payment of upfront cash in lieu of Equity and/or NCDs and/or CRPS. In such an event the unsecured assenting Financial Creditors shall be compensated as mentioned below:

- i. In lieu of equity, an equivalent amount will be paid upfront in cash*
- ii. An upfront amount will be paid in lieu of NCDs or CRPS as the case may be, at discount rate of 20% p.a.*

Note 5: To the extent additional upfront cash is paid to unsecured assenting Financial Creditors pursuant to note 4 above, their entitlement to equity share, NCDs and CRPS, as the case may be, will be forfeited and such upfront cash shall be brought in by the Resolution Applicant by way of debt at the same time ensuring that applicable minimum public shareholding thresholds stipulated by SEBI are not breached.

iii. If any of the abovementioned Financial Creditors do not vote in favour of the Resolution Plan, then such creditors will be paid such amount as may be payable in accordance with Section 30(2)(b) read with Section 53 of the IBC. The dissenting Financial Creditors referred above shall be paid in cash, in priority over the assenting Financial Creditors. The Resolution Applicant is not aware of the liquidation value and is unable to fix the amounts payable to dissenting financial creditors but shall adopt the following mechanism:

- a. If the aggregate amount of payable to the dissenting Financial Creditors, in accordance with section 30(2)(b) read with section 53 of IBC, exceeds the upfront amount earmarked for such creditors,

then the incremental fund requirement will be met by way of additional upfront cash infusion by the Resolution Applicant/Affiliates/Financial Investor through a combination of unsecured, subordinated debt instruments/ quasi equity and the equity shares, NCDs, CRPSs allocated to such dissenting Financial Creditors will be forfeited. In no event shall the Resolution Applicant acquire equity shares of the Corporate Debtor in excess of the level permitted to ensure minimum public shareholding as per the norms prescribed by SEBI. If the Resolution Applicant makes any additional upfront cash infusion for the aforementioned purpose, then there will be corresponding reduction in the allotment of NCDs / CRPSs such that the Total Financial Outlay remains unchanged, subject to CIRP Cost of this Resolution Plan. If payment of an amount equivalent to the liquidation value payable to dissenting Financial Creditors exceeds the amount allocated to them under the Resolution Plan, the surplus amount remaining after meeting CIRP Costs shall be distributed pro rata to the assenting Financial Creditors in the form of NCDs and CRPS in the proportion of the payout allocated to them under the Resolution Plan.

- b. The sale proceeds of non-core assets only to the extent of Rs. 277 Crores (Rupees Two Hundred Seventy Seven Crores Only) as contemplated in the Resolution Plan shall be appropriated towards the redemption of NCDs. In the event the sale proceeds of said assets to the extent of Rs. 277 Crores (Rupees Two Hundred Seventy Seven Crores Only) contemplated is not realised on or before expiry of the redemption date of NCDs, the Resolution Applicant shall fund the shortfall and arrange to make payment to the holders thereof entitled thereto.
- c. The securities of the Corporate Debtor that are issued to the

assenting Financial Creditors pursuant to this Plan, shall be free and clear of all security interests and encumbrances.

- d. Further, if the aggregate amount payable to the dissenting Financial Creditors exceeds the available Upfront Cash Infusion, then such incremental amount shall be paid in cash to the dissenting Financial Creditors, before making any payment to the assenting Financial Creditors. If the Resolution Applicant makes any additional upfront cash infusion for this purpose then there will be corresponding reduction in the allotment of Equity / NCDs / CRPSs such that the Total Financial Outlay remains unchanged subject to CIRP Cost of this Resolution Plan.
- e. In case there is a cash shortfall in making payments the same shall be dealt as aforementioned, such that there is no modification in the Total Financial Outlay, CIRP Cost of the Resolution Plan. The payment to the dissenting Financial Creditors shall be made simultaneous with their issuing a no dues certificate and releasing the security, if any, held by them over the assets of the Corporate Debtor. In the event any dissenting Financial Creditor delays issue of the no objection certificate, the amounts payable to them shall be earmarked separately and the Resolution Applicant will proceed with implementation of the Resolution Plan.
- iv. Further, it is deemed that, the dissenting Financial Creditors shall release charge over the assets of the Corporate Debtor, if any, and grant the aforementioned no objection certificate towards the sale of non-core assets on making of the upfront payment by the Resolution Applicant and/or its Affiliate to the dissenting Financial Creditors. The dissenting Financial Creditors shall co-operate with the Resolution Applicant and undertake prompt steps, as may be required, for the smooth and successful implementation of the Resolution Plan.

- v. If any part of the payments made to the Financial Creditors are proposed to be appropriated towards the interest component, then such Financial Creditor shall intimate the Resolution Applicant prior to the Closing Date so that TDS/ other withholding tax may be deducted prior to making such payment in compliance of Applicable laws.
- vi. It is further clarified that the total settlement amount for the settlement of Financial Creditors will be suitably modified after adjusting for incremental costs, of CIRP Cost, Employees/ Workmen Claim and Operational Creditors (excluding Employees and Workmen dues) Claim.
- **Equity Shares allotment to Financial Creditors:** 7.5% of equity share capital of the Corporate Debtor aggregating to about Rs. 4.125 crores (Rupees Four Crores Twelve Lakhs Fifty Thousand Only) shall be allotted *inter se* amongst the assenting Financial Creditors on a pro rata basis to the claim amount admitted by the Resolution Professional for each creditor. The consideration for the said equity shares shall be by way of conversion of appropriate amount of the claim amount admitted in accordance with the Applicable Laws.
 - **Issuance of Secured Non-Convertible Debentures:** The Resolution Applicant proposes that the Corporate Debtor will issue NCDs to the relevant assenting secured Financial Creditors on the following terms:

Amount	Rs. 393.25 Crores (Rupees Three Hundred Ninety Three Crores Twenty Five Lakhs Only) to be issued against the extinguishment of Financial Creditor admitted claim amount proposed in accordance with this Resolution Plan.*
Tenor	3 years
Coupon rate	7% per annum payable annually
Repayment schedule	Bullet Repayment at the end of 3 years
Redemption Premium, if any	None
Interest moratorium, if any	None

Security	<p>The existing security of each secured assenting Financial Creditor as on Insolvency Commencement Date will continue to secure the NCDs issued to that secured assenting Financial Creditor. The NCDs issued to the unsecured assenting Financial Creditors shall be unsecured. Accordingly, different series of NCDs will be issued by the Corporate Debtor and the only difference between different series will be the security held all other terms being the same. It is clarified that Financial Creditors shall consent to creation of any subsequent subservient charge on the fixed assets in favour of new lenders to the Corporate Debtor. The aforementioned fixed assets include:</p> <ol style="list-style-type: none"> i. All the immovable and movable assets of the Corporate Debtor situated at Kamalapuram, Telangana. ii. Non-Core assets including Depot Land, Garimundu, Agriculture Land at Hundelwala situated at / near Shree Gopal Unit of the Corporate Debtor.
Covenants	<p>NCDs shall have no restrictive covenants with respect to: (a) any future borrowings, security creation or servicing of such borrowings of the Corporate Debtor; (b) any issuance of securities or restructuring of the Corporate Debtor; and (c) any distribution of dividends by the Corporate Debtor; and (d) any capital raising or investments by the Corporate Debtor.</p>
Early redemption option	<p>NCDs may be prematurely redeemed at the option of the Corporate Debtor by payment of the outstanding principal and interest and without any prepayment premium.</p>

*Note 1: *The proposed amount of NCDs may reduce if there is any assenting unsecured Financial Creditor who opts for upfront cash payment in lieu of NCDs*

Note 2: The NCDs will be issued before the dissolution of the Monitoring Committee.

- **Issuance of Cumulative Redeemable Preference Shares:** The Resolution Applicant proposes that the Corporate Debtor will issue CRPS to all the assenting Financial Creditors on the following terms:

Amount	Rs. 49.87 Crores (Rupees Forty Nine Crores Eighty Seven Lakhs Only) to be issued against the extinguishment of Financial Creditor Debt proposed in accordance with this Resolution Plan.
Tenor	2 years
Coupon rate	0.01% per annum payable annually
Repayment schedule	Bullet, at the end of 2 years
Redemption Premium, if any	None
Interest moratorium, if any	None
Security	Unsecured
Covenants	<p>CRPS shall have no restrictive covenants with respect to:</p> <p>(a) any future borrowings, security creation or servicing of such borrowings of the Corporate Debtor;</p> <p>(b) any issuance of securities or restructuring of the Corporate Debtor; and</p> <p>(c) any distribution of dividends by the Corporate Debtor; and</p> <p>(d) any capital raising or investments by the Corporate Debtor.</p> <p>Any future security creation shall be subordinate to the charge of the existing Financial Creditors. The Corporate Debtor shall be entitled to avail working capital facilities secured by first charge on current assets generated pursuant to working capital facility drawn from new lenders (<i>save and accept any receivables outstanding on NCLT Approval Date</i>) and shall also be entitled pay interest thereon. However, any payment of interest or principal in respect of facilities other than working capital shall be subordinated to payments towards assenting Financial Creditors under</p>

	the Resolution Plan. It is clarified that, if required, the Resolution Applicant may raise working capital facilities upto Rs. 25 crores (Rupees Twenty Five Crores Only).
Early redemption option	The CRPS may be prematurely redeemed at the option of the Corporate Debtor by payment of net present value of the outstanding principal and interest to be calculated at a discount rate of 20% p.a.

Note 1: The proposed amount of CRPSs may reduce if there is any assenting unsecured Financial Creditor who opts for upfront cash payment in lieu of CRPSs.

Note 2: The CRPSs will be issued before the dissolution of the Monitoring Committee

Sale of certain assets of the Corporate Debtor: The Resolution Applicant has identified the following assets of the Corporate Debtor for monetization and realizing an estimated amount of Rs. 277 crores (Rupees Two Hundred Seventy Seven Crores Only) which forms part of the Total Financial Outlay.

Non-Core assets at Shree Gopal Unit: The Resolution Plan envisages disposal of non-core real estate assets of the Corporate Debtor including Depot Land, Garimundu, Agriculture Land at Hundelwala. The realization from the sale of the aforesaid assets will be utilized for redemption of NCDs.

Kamalapuram Unit: The rayon grade pulp manufacturing unit was established during 1975 with an initial capacity of 130 TPD which was enhanced to 300 TPD during 1997. The unit has always produced rayon grade pulp and dependent on single customer. The facility is lying closed since 2014. During December 2015 and August 2018, the Government of Telangana had sanctioned certain incentives for ensuring viability and immediate revival of the unit. Based on the due diligence and discussion with experts, the Resolution Applicant is of the opinion that the standalone pulp mill is not financially viable. In view of this, the Resolution Plan envisages disposal of the entire Kamalapuram unit and the net realization from the sale of the said unit will be utilized for redemption of NCDs.

Chaudwar Land: The Resolution Applicant understands that the Chaudwar Land has been secured in favour of Edelweiss Asset Reconstruction

Company Limited (“Edelweiss ARC”) as security for the credit facilities granted to BILT Graphic Paper Products Limited (“BGPPL”) which are partly guaranteed by the Corporate Debtor. Edelweiss ARC is thus a secured creditor of the Corporate Debtor within the meaning of the Code. However, the Resolution Applicant understands that there has been no default by BGPPL in payment obligations to Edelweiss ARC and the security has not been enforced. None of the creditors have a charge over the Chaudwar Land. The Chaudwar Land will be sold by the Resolution Applicant and the sales proceeds will be utilized in accordance with this Resolution Plan.

The sum of Rs. 277 crores (Rupees Two Hundred and Seventy Seven Crores Only) to be paid to the Financial Creditors who are entitled thereto in terms of the Resolution Plan out of the sale proceeds as and when the assets in question are sold and the sales proceeds received. In the event the sale proceeds of assets to the extent of Rs. 277 crores (Rupees Two Hundred and Seventy Seven Crores Only) were not realised on or before expiry of NCD redemption date, the Resolution Applicant shall fund the shortfall and arrange to make payment to the NCD Holders entitled thereto.

“Note 1: It is clarified that the sale proceeds to the extent of Rs. 277 crores (Rupees Two Hundred Seventy Seven Crores Only) as contemplated in the Resolution Plan shall be appropriated towards the redemption of NCDs.”

• **The following procedure shall be adopted for Sale of Assets:**

- a. Within 3 (three) Business Days of intimation by the Resolution Applicant that a buyer has been found for the asset all the creditors holding a charge over the assets shall issue a no objection certificate to the Resolution Applicant for conducting the sale of assets of the Corporate Debtor.
- b. Subsequently, for effective consummation of the sale, the Financial Creditors shall at least one day prior to the execution of the sale agreement executed, by the Resolution Applicant and/or its Affiliates with the identified purchaser, cede the charge over the assets to be sold and execute all forms, documents and writings necessary for this purpose.

- c. The Financial Creditors shall extend full cooperation to the Resolution Applicant and/or its Affiliates in achieving successful sale of assets.
- d. The sale proceeds received by the Resolution Applicant and/or its Affiliates as part of the sale of assets shall be deposited in Designated Account of the Corporate Debtor and distributed among the Financial Creditors in accordance with this Resolution Plan.

D) Operational Creditors (Excluding Employee and Workmen Dues) Claims

- i. The Applicant states that the Operational Creditor (excluding Employee and Workmen dues) claims aggregating to Rs. 176.55 crores (Rupees One Hundred Seventy Six Crores And Fifty Five Lakhs Only) which includes Government dues of Rs. 15.98 crores (Rupees Fifteen Crores Ninety Eight Lakhs only) have been verified and admitted by the Resolution Professional for the purposes of CIRP.
- ii. The Operational Creditors are required to be paid the Liquidation Value accruing to such Operational Creditors. The estimated Liquidation Value accruing to Operational Creditors [but not including Employees and Workmen dues for the preceding 24 (twenty four months)] would be NIL. In terms of Applicable Law, the Operational Creditors (excluding Employees and Workmen) are required to be paid the amounts aggregating to the Liquidation Value accruing to them i.e. NIL (as estimated by the Resolution Applicant) amount, except in cases where the Operational Creditor is a secured Creditor.
- iii. The Resolution Applicant has estimated the Liquidation Value to be NIL for payment towards the Operational/other Creditors. However, in the interest of the keeping the Company operational and as a going concern, the Resolution Applicant propose to pay ex-gratia amount aggregating upto Rs. 8.44 crores (Rupees Eight Crores Forty Four Lakhs Only) to Operational Creditors (excluding employees and Workmen) towards settlement over a period of 12 (twelve) months from

the Closing Date, or such other date(s) as may be mutually agreed with the relevant Operational Creditor (excluding employees and Workmen), and such amounts shall be distributed amongst the relevant Operational Creditors (excluding employees and Workmen) in an equitable manner on a pro rata basis. The said ex gratia amount includes payment of Rs. 0.32 crores (Rupees Thirty Two Lakhs Only) towards admitted claims of Government dues amounting to Rs. 15.98 crores (Rupees Fifteen Crores Ninety Eight Lakhs Only) and the balance amount of Rs. 8.12 crores (Rupees Eight Crores Twelve Lakhs Only) is towards the admitted claims of Operational Creditors (excluding employees, workmen and government dues). The intention of the Resolution Applicant is to comply with priority of payments towards Operational Creditors over Financial Creditors as specified under the provisions of the IBC and CIRP Regulations, however, since amount payable under the Code to the Operational Creditors is NIL as per the Code and this is an ex-gratia payment, the same will not be paid before payment to Financial Creditors but will be paid within one year from Closing Date. If the actual amount payable under u/s 53 of the Code to the said Operational Creditors exceeds the said ex-gratia amount, such incremental amount shall be adjusted from the funds earmarked for settlement of Financial Creditors claim; accordingly, the amount proposed for settlement of Financial Creditors claim will be reduced on proportionate basis.

- iv. It is clarified that Operational Creditors who are Related Party shall be paid NIL amount. It is also further clarified that the terms of this Resolution Plan applicable to Operational Creditors shall be binding on the Governmental Authorities as well. Except for the abovementioned amounts payable to Operational Creditors (excluding employees and Workmen), all other dues payable to Operational Creditors (excluding employees and Workmen) shall be written off in

full and shall be, and be deemed to be, permanently extinguished or written-off, on the NCLT Approval Date and no further amounts shall be payable to the Operational Creditors (excluding employees and Workmen) whether or not set out in the Information Memorandum, Virtual Data Room, balance sheets or the profit and loss account statements of the Corporate Debtor.

- v. The Plan presumes that the distribution schedule set out above will be approved by the COC and *it is clarified that the Resolution Applicant/ Corporate Debtor shall not be required to fund any amount greater than Rs. 645 crores (rupees Six Hundred and Forty Five Crores) for the satisfaction of all the debts and CIRP Costs of the Corporate Debtor subject to CIRP Cost of this Resolution Plan.*
- vi. If any part of the payments made to the Operational Creditors are proposed to be appropriated towards the interest component, then such Operational Creditor shall intimate the Resolution Applicant prior to the Closing Date so that TDS/ other withholding tax may be deducted prior to making such payment in compliance of Applicable laws.

E) Infusion for Working Capital and Capex:

The Resolution Applicant propose to infuse up to Rs. 55 Crores (Rupees Fifty Five Crores Only) in the form of equity or debt or a combination of both, either directly by the Resolution Applicant and/or their Affiliates into the Corporate Debtor within 1 (One) year from the date of upfront payment to meet the Capex and Working Capital requirements of the Corporate Debtor. Future requirements of working capital shall be funded by fresh infusion from the Resolution Applicant and/or their Affiliates, as necessary, and/or through working capital borrowings from the banking system. The Corporate Debtor shall be entitled to avail working capital facilities upto Rs. 25 Crores (Rupees Twenty Five Crores Only) secured by first

charge on current assets and shall also be entitled pay interest thereon.

F) Benefits to Promoters and Related Parties of Promoters

All contracts of employment or consultancy with, and any benefits, fees, commissions, perquisites or profits in lieu of or in addition to any salary or wages or any policy of providing such benefits, fees, commissions, perquisites or profits extended by the Corporate Debtor to the Promoters or the Related Parties of the Promoters shall be deemed to be terminated and extinguished on and from the NCLT Approval Date, and the Corporate Debtor will have no further obligation to provide the same. Unless expressly agreed to by the Corporate Debtor by way of a written consent after the NCLT Approval Date, all properties of the Corporate Debtor in the possession of the Promoters or the Related Parties of the Promoters shall be immediately vacated, released and transferred in fit and proper condition to the Corporate Debtor, as the case may be. All rights and interests of the Promoters and Related Parties of the Promoter whether accrued or outstanding or otherwise, as shareholders of the Corporate Debtor, shall be and stand extinguished in terms of this Resolution Plan.

G) Proposed Shareholding Pattern

The shareholding of the Corporate Debtor after issuance of equity shares in favour of Resolution Applicant will be as set-out in the following table:

(Rs. Crore)

Particulars	Proposed		Existing paid up share capital	Proposed Reduction in paid up share capital
	Amount	% holding		
Fresh Equity Share Capital (face value of Rs.10 each)				
1 Promoters / Promoters Group (existing)	0.000	0.0%	6.920	100

2	Resolution Applicant*	46.750	85.0%	0	NA
3	Financial Creditors	4.125	7.5%	80.700	94.89
4	Existing Shareholders other than promoters / promoters group	4.125	7.5%	171.070	97.59
Total		55.000	100.0%	258.690	

*Note 1: Including Affiliates and Financial Investors; Resolution Applicant shall hold minimum of 51%.

Note 2: The above proposed shareholding pattern is subject to payment made to the Financial Creditors.

Steps Envisaged in Achieving the above Shareholding Pattern

- i. The existing Equity Shares of the Corporate Debtor held by the Promoters / Promoters Group shall be extinguished and those held by persons other than Promoters / Promoters Group shall be written down such that their existing holding of Rs. 251.77 crores (Rupees Two Hundred Fifty One Crores and Seventy Seven Lakhs Only) being shares with face value of Rs. 2 (Two) constituting 97.32% stake shall be reduced to Rs. 4.125 crores (Rupees Four Crores and Twelve Lakhs Fifty Thousand Only) being shares with face value of Rs. 10 (Ten) constituting 7.5% stake in the proposed shareholding pattern.
- ii. The Corporate Debtor will issue fresh equity shares of face value of Rs.10 each at par aggregating to Rs. 46.75 crores (Rupees Forty Six Crores Seventy Five Lakhs Only) to the Resolution Applicant / its Affiliates and Rs. 4.125 crores (Rupees Four Crores Twelve Lakhs Fifty Thousand Only) to the existing Financial Creditors as envisaged in the Resolution Plan.

H) Treatment of Other Liabilities

Treatment of Contingent Liabilities:

- a. As per the audited financial statement of the Corporate Debtor for FY 2019-20, we understand that the Corporate Debtor has received an order from the Supreme Court of India confirming the grid support charges payable to Transmission Corporation of Andhra Pradesh Limited (“APTRANSCO”) and the Corporate Debtor has estimated the liability to be Rs 15.16 crores (Rupees Fifteen Crores Sixteen Lakhs

Only). It is stated that the Corporate Debtor has not received any demand from APTRANSCO till date and accordingly the Corporate Debtor has opined that no liability is accrued towards the same as at 31.03.2020 and has considered the same as contingent liability. Such Contingent Liability is a “claim” and “debt” as defined under the IBC, and would consequently qualify as “operational debt” (as defined under the IBC) and therefore, the full amount of such contingent liabilities shall be deemed to be owed and due as of the insolvency commencement date, the estimated liquidation value of which is NIL and therefore, no amount is payable in relation thereto.

- i. Any and all liabilities, remaining claims, demands, obligations, expenses, costs or debts or other dues owed or payable to Edelweiss ARC, either by the Corporate Debtor on its own account or by the Corporate Debtor on account of any of its subsidiary, associate company, joint venture, Affiliate or consortium, in relation to any transaction or credit facilities agreement executed in a period prior to the NCLT Approval Date or that is not expressly provided for in this Resolution Plan shall be deemed to have been permanently extinguished on the Closing Date upon approval of this Resolution Plan by the Adjudicating Authority, and the Company and/or the Resolution Applicant and/or its Affiliates shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto in any manner whatsoever.
- b. Any and all liabilities, remaining claims, demands, obligations, expenses, costs or debts or other dues owed or payable to Edelweiss ARC, either by the Corporate Debtor on its own account or by the Corporate Debtor on account of any of its subsidiary, associate company, joint venture, Affiliate or consortium, in relation to any transaction or credit facilities agreement executed in a period prior to the NCLT Approval Date or that is not expressly provided for in

this Resolution Plan shall be deemed to have been permanently extinguished on the Closing Date upon approval of this Resolution Plan by the Adjudicating Authority, and the Company and/or the Resolution Applicant and/or its Affiliates shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto in any manner whatsoever.

I) Treatment of claims under Applicable Laws (including taxes):

a. All claims, debt or statutory liabilities of whatsoever nature that may be owed or payable to Governmental Authority that arise, against the Corporate Debtor under Applicable Laws (including taxes), in relation to any breach, contravention or non-compliance of such Applicable Laws by the Corporate Debtor (including criminal laws), whether or not such claim was notified to or claimed against the Corporate Debtor, and whether or not such Governmental Authority was aware of such claim, whether disputed or undisputed, in relation to the period prior to the insolvency commencement date, would qualify as “claim” and “debt”, each as defined under the IBC, and would consequently qualify as Operational Debt. Accordingly, the terms of this Resolution Plan applicable to Operational Creditors shall be binding on all Governmental Authorities. The full amount of such claims shall be deemed to be owed and due as of the insolvency commencement date, the estimated liquidation value of the said claims towards Governmental Authorities is NIL and therefore, upon implementation of this Resolution Plan, no amount is payable in relation thereto. Consequently, all dues to Governmental Authorities of whatsoever nature, debt or statutory liabilities relating to the period prior to the insolvency commencement date, shall stand permanently extinguished, fully and finally discharged and settled under this Resolution Plan on and from Closing Date. The Resolution Applicant and/or its Affiliate and the Company shall at no point of

time, directly or indirectly, have any obligation, liability or duty in relation thereto.

- b. All charges, encumbrances created or suffered to exist over the assets of the Company or over the securities of the Company in favour of each of the secured Financial Creditors whether by contract or by Applicable Law, whether created for the benefit of the Company or any third party, shall stand unconditionally and irrevocably terminated, released, cancelled, discharged, extinguished or withdrawn upon payments to such secured Financial Creditors in accordance with this Resolution Plan. Further all other charges, encumbrances created or suffered to exist over the assets of the Company or over the securities of the Company (including any priority of claims that could have otherwise been claimed by the tax authorities under Section 281 of the Income Tax Act 1961 (“IT Act”)), in favour of any person, whether by contract or by Applicable Law, whether created for the benefit of the Company or any third party, shall stand unconditionally and irrevocably terminated, released, cancelled, discharged, extinguished or withdrawn on the Closing Date.
- c. All claims that may be made against the Corporate Debtor in relation to any payments required to be made by the Corporate Debtor under Applicable Law, or in relation to any breach, contravention or non-compliance of any Applicable Law (whether or not such claim was notified to or claimed against the Corporate Debtor at such time, and whether or not such Governmental Authority was aware of such claim at such time), shall be deemed to be owed and due as of the NCLT Approval Date, and shall immediately, irrevocably and unconditionally stand abated, settled and extinguished on and from Closing Date. No Governmental Authority shall have any further rights or claims against the

Corporate Debtor, in respect of the period prior to the Closing Date and / or in respect of such amounts.

J) Treatment of avoidance application filed, if any by the RP:

- a. The Resolution Plan shall in no way affect the validity and continuation of any proceedings filed by the Resolution Professional under Sections 43, 44, 45, 46, 47, 50, 51, 66, 67 of the Code (“Avoidance & Other Transactions”).
- b. All receivables along with all rights of the Corporate Debtor in respect of Avoidance & Other Transactions shall deemed to be assigned by the Corporate Debtor in favour of the secured assenting Financial Creditor. If requested by the secured assenting Financial Creditor, the Corporate Debtor shall execute such documents as may be required for purpose of such assignment.
- c. The proceedings filed by the Resolution Professional in respect of Avoidance & Other Transactions shall continue to be prosecuted and represented after NCLT Approval Date on behalf of the secured assenting Financial Creditors. Any and all payments received in respect of such transactions from any counter-parties shall be held in trust by the Resolution Professional /Corporate Debtor and shall be released to IDBI Bank for purposes of distribution to the assenting Financial Creditors pro rata to their admitted claim. It is clarified that the Corporate Debtor will bear the expenses for the litigations mentioned above. It is further clarified in an event of any recovery or monetary award being received as a result of the said avoidance proceedings, the Resolution Applicant and Corporate Debtor shall have the right to recover/set off the expenses borne by the Corporate Debtor with respect to the said proceedings in respect of Avoidance & Other Transactions before transferring the amounts to IDBI Bank for purposes of distribution to the assenting Financial Creditors pro rata to their admitted claim.

d. The secured Financial Creditor shall be entitled to take all steps and remedies and recourse available to it in respect of Avoidance & Other Transactions. All litigation costs in pursuing Avoidance & Other Transactions shall be borne by the Corporate Debtor and can be set off by the Corporate Debtor against any recoveries made in respect of such transactions.

K) Information Memorandum to Prevail:

In preparing this Plan and the financial proposals contained herein, we have relied solely on the information provided by the Resolution Professional in the Information Memorandum, Addendum to the Information Memorandum and the information uploaded on the virtual data-room. In the event there are any differences between the amounts owed to the Operational Creditors as set out in the updated Information Memorandum, the information uploaded on the Virtual Data-Room and any information received from RP office by e-mails such other information shall be disregarded, and any amounts reflected as due from the Corporate Debtor to any person in such other sources shall immediately, irrevocably and unconditionally stand extinguished and waived on the Closing Date, and no person shall have any further rights or claims against the Corporate Debtor with respect to any such Liabilities, whether accrued or not. Having said the above, each such amount/claim/liability, is a “claim” and “debt”, each as defined under the IBC, and consequently would qualify as “operational debt” (as defined under the IBC) and therefore the full amount of such claims/amounts shall be deemed to be owed and due as of the NCLT Approval Date, the estimated liquidation value of which is NIL. However, the Plan envisages payment to the Operational Creditors as detailed above. Further, the expenses incurred during the CIRP period to keep the Corporate Debtor as going concern in ordinary course of business shall be paid as part of CIRP cost.

L) The Corporate Debtor and its Shareholders:

i. The Corporate Debtor:

After implementation of the Plan, the Corporate Debtor is expected to benefit from:

- (i) The expertise of the Resolution Applicant in restructuring distressed companies;
- (ii) Infusion of fresh funds by the Resolution Applicant;
- (iii) Induction of a professional management team and Board of Directors with the relevant experience and expertise; and
- (iv) Any future investments that may be made in the Corporate Debtor by the Resolution Applicant.

ii. Existing Promoter and Promoter Group:

The existing shares of the Promoters and Promoters Group of the Corporate Debtor shall be written down fully and shall be reclassified as non-promoters under all Applicable Laws. The said existing Promoters of the Corporate Debtor will cease to be a Promoter of the Corporate Debtor with effect from the Closing Date.

iii. No Liabilities to Related Parties

The Corporate Debtor shall have no Liabilities towards the persons currently classified as Promoter or Promoter Group (including the existing Promoter Group), persons acting in concert with Promoters, holding companies, subsidiary companies, associate companies, group companies and / or their respective Affiliates / associates. However, it is clarified that all claims of the Corporate Debtor, if any, against such parties (and all Liabilities of such parties towards the Corporate Debtor) shall remain outstanding, due and payable in accordance with their terms.

iv. Liabilities in relation to the Existing Promoter Group

- i. The Corporate Debtor and/or the Resolution Applicant and their

respective Affiliates shall not in any manner be implicated in, or in any manner adversely affected by, or have any Liability in relation to, any investigations / proceedings / orders or any matters relating to the existing Promoter Group, holding companies, subsidiary companies, associate companies and / or group companies of the Corporate Debtor and is subject to Section 32A of the Code.

- ii. Any Liabilities, claims, demands, capital contributions or any other form of financial commitment, including but not limited to pledge of shares or any security interest created or provided, whether guaranteed or contractually agreed in writing or otherwise by the Corporate Debtor, on behalf of its subsidiary companies, associate companies, group companies and/or their respective Affiliates, shareholders / associates, as the case maybe, which are in existence prior to the Closing Date and which may be invoked prior to the Closing Date or at any time thereafter, shall stand irrevocably and unconditionally waived and extinguished.

M) Plan to Prevail

The Resolution Applicant shall have the right, subject to the Applicable Laws, to negotiate / amend / modify / cancel / terminate all agreements / arrangements / purchase orders / work orders, etc. entered into by the Corporate Debtor, including any joint venture agreements, share subscription agreements and shareholders' agreements if, on examination by the Resolution Applicant, any terms in relation to such contracts are disclosed or discovered, or determined to be onerous or adversely affect the 'going concern' status of the Corporate Debtor. The Resolution Applicant confirms that it will not withdraw the Resolution Plan on the ground that relief sought in this Clause is rejected.

N) Securities Free of Encumbrances

- i. The securities of the Corporate Debtor including NCDs, CRPS, equity shares etc, that are issued to and/or are acquired by either of the Resolution Applicants or Financial Creditors pursuant to this Plan, shall be acquired free and clear of all security interests and encumbrances.
- ii. All outstanding letters of offers or invitations issued by the Corporate Debtor to any person, including the Financial Creditors, for subscription to securities of the Corporate Debtor (if any) shall stand withdrawn, revoked and abandoned and all the documentation (other than for financing arrangements and for assignment of loans) required for implementation of the Plan be deemed to have been executed, revised, enforced, as the case may be, on and from the NCLT Approval Date.
- iii. Financial Creditors can exercise their rights/claims over Security/ Guarantees provided by the existing Promoter or Promoter Group of the Corporate Debtor for the financial facilities/arrangements granted to the Corporate Debtor before the NCLT Approval Date provided the existing Promoters or Promoter Group shall not have any subrogation rights/claims on Corporate Debtor pursuant to such invocation of Security/ guarantees by Financial Creditors. However, obligation/liabilities of personal guarantee of the existing Promoter Group under various guarantee agreement in favour of the financial creditors are not cancelled/revoked/affected by this Clause.

O) Extinguishment and Waiver of Claims & Liabilities

- i. **Guarantees:** Unless otherwise decided by the Resolution Applicant at their sole discretion to continue with any bank guarantees for uninterrupted operations of the Corporate Debtor, upon approval of this Resolution Plan by the Adjudicating Authority, all obligations,

Liabilities, claims or proceedings in relation to any corporate or other guarantees, indemnities, letters of credit and all other forms of credit support, whether or not such guarantees or letters of credit, indemnities, etc form part of the admitted financial debt, whether or not invoked or being capable of being invoked provided by the Corporate Debtor prior to the Closing Date, shall immediately, irrevocably and unconditionally stand annulled, extinguished, waived, withdrawn and abated on and from the Closing Date, including but not limited to any form of credit support for persons that are currently Affiliates, Promoters or Promoter Group (including the existing Promoter Group), persons acting in concert with Promoters, holding companies, subsidiary companies, associate companies and / or group companies of the Corporate Debtor and the Company and/or the Resolution Applicant and/or its Affiliates shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto in any manner whatsoever. . It is clarified that, any cash balances, margin money or security deposit held against issue of guarantees or letters of credit, indemnities, etc, with banks and/or Financial Creditors only shall be released to IDBI Bank for purposes of distribution to assenting Financial Creditors pro rata to the claim amount admitted. It is clarified that no creditor(s) shall be entitled to set off or adjust any security deposit held by them (by whatever name and in whichever form), for recovery of any outstanding dues, claims, Liabilities, etc owed or payable by the Corporate Debtor.

ii. Right of Subrogation: Any person (including the existing Promoter Group) that has provided any form of security and / or guarantee (including the existing Promoter Guarantee(s)) for and on behalf of, and / or in order to secure any obligations of the Corporate Debtor (whether by way of hypothecation, pledge, mortgage, or otherwise),

shall not be entitled to exercise any subrogation rights in respect of such arrangement, and they shall have no rights or claims against the Corporate Debtor and/or its assets. All obligations, Liabilities, claims or proceedings against the Corporate Debtor and/or its assets in this regard shall be deemed to be owed and due as of the NCLT Approval Date, and shall immediately, irrevocably and unconditionally stand extinguished, waived, withdrawn and abated on and from the Closing Date.

iii. Treatment of Debts barred by Limitation: As of the Closing Date, any debt owed by the Corporate Debtor to any creditor, which is barred by limitation under the Applicable Laws, shall immediately, irrevocably and unconditionally stand extinguished, waived and withdrawn on and from the Closing Date, and no person shall have any further rights or claims against the Corporate Debtor in this regard.

iv. Treatment of any Security Interest created by Corporate Debtor for borrowings by Group Companies: On acquisition of the Corporate Debtor as going concern by the Resolution Applicant, the security interest created, on the assets held or owned by Corporate Debtor, in favour of any Financial Creditor or any other person for the borrowings by Group companies including Affiliates and subsidiary companies shall stand released / discharged. The Resolution Applicant and/or its Affiliates undertakes that, it shall implement the Resolution Plan notwithstanding the outcome of any litigation undertaken on account of extinguishment of charge in respect of Edelweiss ARC except where there is an order of any court or tribunal restraining implementation of the Resolution.

P) Effect of Plan post NCLT Approval Date

Upon receipt of the approval of the Adjudicating Authority under Section 30 of the IBC, the provisions of this Resolution Plan approved under the Code shall pursuant to Section 238 of the Code, have effect, notwithstanding anything inconsistent contained in any other law for the time being in force or any instrument having effect by virtue of such law. In the event of any repugnancy or inconsistency between this Resolution Plan and any other documents executed in pursuance to this Resolution Plan, the provisions contained in this Resolution Plan shall prevail for all purposes and to all intents.

Q) Statement as to how the Plan has dealt with the Interests of all Stakeholders

The Resolution Applicant submits that the interests of all the stakeholders, including the Financial Creditors, Operational Creditors and other creditors of the Corporate Debtor has been addressed / dealt as under:

Sr. No.	Particulars	Interests of all Stakeholders
1.	CIRP Costs	The estimated unpaid CIRP cost is Rs. 64.82 Crores (Rupees Sixty Four Crores Eighty Two Lakhs Only). The Resolution Plan provides for 100% payment in accordance with the Code. It is clarified that the actual unpaid CIRP cost in excess of Rs. 64.82 Crores (Rupees Sixty Four Crores Eighty Two Lakhs Only) shall be met as specified under Clause 4(A) above.
2.	Workmen dues	Rs. 9 crores (Rupees Nine Crores Only) i.e., about 13.38 % of the admitted claim as detailed under Clause 4(B) above. It is clarified that 100% of Workmen Liquidation Dues shall be. It is clarified that if the Workmen Liquidation Dues exceeds Rs. 9 crores (Rupees Nine Crores Only), any incremental amount shall be met as specified under Clause 4(B) above.

3.	Employees dues	Rs. 0.49 crores (Rupees Forty Nine Lakhs) i.e., about 4.20 % of the admitted claim.
4.	Financial Creditors	<p>a. Rs. 467.26 crores (Rupees Four Hundred Sixty Seven Crores Fifty Twenty Six Lakhs Only) i.e., about 37.29 % of the admitted secured claim of the Financial Creditors.</p> <p>b. Rs.85.15 crores (Rupees Eighty Five Crores and Fifteen Lakhs Only) i.e., about 4.43% % of the admitted unsecured claim of the Financial Creditors.</p>
5.	Operational Creditors (Other the Workmen and Employees)	The liquidation value estimated by the Resolution Applicant is inadequate to even meet the admitted claim of the secured Financial Creditor and as per Code the amount payable to the Operational Creditors is NIL. However, the Resolution Plan envisages ex-gratia payment of Rs. 8.44 crores (Rupees Eight Crores Forty Four Lakhs Only) i.e., about 4.78% of the admitted claim to the Operational Creditors (other than workmen and employees).
6.	Other Creditors (Related Parties)	No payment is envisaged to the admitted claim amount for the Related Parties.
7.	Existing Equity holders	<p><u>Promoters and Promoters Group:</u> 100% of the existing shareholding shall be extinguished as per the Applicable Laws.</p> <p><u>Non Promoters and Promoters Group:</u> The existing equity holding and those held by persons other than Promoters / Promoters Group shall be written down such that their existing holding of Rs. 251.77 crores (Rupees Two Hundred Fifty One Crores and Seventy Seven Lakhs Only) being shares with face value of Rs. 2 (Two) constituting 97.32% stake shall be reduced to Rs. 4.125 crores (Rupees Four Crores and Twelve Lakhs Fifty Thousand Only) being shares with face value of Rs. 10 (Ten) constituting 7.5% stake in the proposed shareholding pattern. Fresh equity shares will be issued to the eligible shareholders. Fractional shares will be sold by an appointed trustee and the amount realized will be credited to the eligible shareholders.</p>

Since the interests of all the stakeholders has been dealt with therefore, the proposed Resolution Plan is viable and feasible.

R) Sources of Funds

The below mentioned table gives a break-up of the maximum total funds that will be available for satisfaction of debts of the Corporate Debtor and meeting the capital expenditure and working capital requirement of the Corporate Debtor.

Facility	Amount	Timelines for infusion / Utilisation																				
Equity	46.75	Upfront, within 60 (Sixty) days from the date of NCLT Approval Date. The utilisation thereof, will in the following order of priority:																				
Debt 1	142.88	<i>(Rs. Crore)</i>																				
		CIRP Cost	64.82																			
		Additional amount towards CIRP Costs	5.71																			
		Workmen Liquidation Dues	9.00																			
		Employees	0.49																			
		Government Dues	0.32																			
		Financial Creditors [§]	109.29																			
		Total	189.63																			
		[§] The Financial Creditors who do not vote in favour of the Resolution Plan, such creditors shall be paid in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor. Further, as per regulation 38(1)(b) of the CIRP Regulations, the amount payable under a resolution plan to the Financial Creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over Financial Creditors who voted in favour of the plan.																				
Debt 2	229.24	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Timelines for utilization of Debt 2*</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Utilisation</th> </tr> </thead> <tbody> <tr> <td>Within 1 year</td> <td style="text-align: right;">55.00</td> <td>Capex / Working Capital</td> </tr> <tr> <td>Within 1 year</td> <td style="text-align: right;">8.12</td> <td>Other operational creditors</td> </tr> <tr> <td>Within 2 years</td> <td style="text-align: right;">49.87</td> <td>Redemption of CRPSs</td> </tr> <tr> <td>Within 3 years</td> <td style="text-align: right;">116.25</td> <td>Redemption of NCDs</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">229.24</td> <td></td> </tr> </tbody> </table>			Timelines for utilization of Debt 2*	Amount	Utilisation	Within 1 year	55.00	Capex / Working Capital	Within 1 year	8.12	Other operational creditors	Within 2 years	49.87	Redemption of CRPSs	Within 3 years	116.25	Redemption of NCDs	Total	229.24	
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Within 2 years	49.87	Redemption of CRPSs																				
Within 3 years	116.25	Redemption of NCDs																				
Total	229.24																					

		* The NCDs/CRPSs will be issued within 90 days of Closing Date. The NCDs/CRPSs will be issued before dissolution of the Monitoring Committee.
Sale of assets [#]	277.00	Within 3 (Three) years from the date of upfront payment. The net realisation from the sale will be utilised for redemption of NCDs issued to the Financial Creditors to the extent of Rs 277 crores.
Conversion into equity	4.13	At the time of allotment of equity shares to the Resolution Applicant.
	700.00	Total Financial Outlay
	9.37	Additional sum of 9.37 crores will be brought in by the Resolution Applicant only in the event of shortfall towards estimated unpaid CIRP Costs for the next 1 year.

Note 1: The redemption of NCD shall take place by infusing (i) Rs. 116.25 crores (Rupees One Hundred Sixteen Crores Twenty Five Lakhs Only) through the Loan 2 facility and (ii) Rs. 277 crores (Rupees Two Hundred Seventy Seven Crores Only) realised from the sale of assets. Therefore, the total amount reserved for NCD redemption is Rs. 393.25 crores (Rupees Three Hundred Ninety Three Crores Twenty Five Lakhs Only.)

Note 2: In the event the sale proceeds of said assets to the extent of Rs. 277 crores (Rupees Two Hundred Seventy Seven Crores Only) contemplated is not realised on or before expiry of NCD redemption date, the Resolution Applicant shall fund the shortfall and arrange to make payment to the NCD Holders entitled thereto.

Note 3: The proposed amount of NCDs and CRPS may change pursuant to payment to the dissenting Financial Creditors on account of the surplus available being difference between amount allocated under Resolution Plan and the liquidation value actually payable to such dissenting Financial Creditors which surplus shall be allocated to the assenting Financial Creditors in the manner set out herein.

Note 4: Minimum 51% of equity infusion shall be by Resolution Applicant and the remaining shall be infused by Affiliates or a Financial Investor.

Note 5: Debt contemplated will be raised by the Corporate Debtor by way of loans or unsecured listed NCDs or any other form of debt.

Note: 6 In the event there are any dissenting Financial Creditors and if the liquidation value payable to them is lower than the sum allocated under the Resolution Plan, any surplus arising after payment of estimated unpaid CIRP Costs will be available for distribution pro rata to the assenting Financial Creditors in the form of NCDs and CRPS in the proportion of the payout allocated to them under the Resolution Plan.

S) Approval Process of Resolution Plan by CoC

Sr. No.	Activity	Indicative Timeline (Days)	Responsibility
1.	Approval of Resolution Plan by CoC and intimation to the Resolution Applicant by the Resolution Professional	A	CoC/ Resolution Professional

Sr. No.	Activity	Indicative Timeline (Days)	Responsibility
2.	Unconditional acceptance of Letter of Intent.	A+ Within 3 (three) working days	Resolution Applicant
3.	Submission of Performance Security	A+ 3 (three) working days (or such other date as may be approved by the CoC)	Resolution Applicant
4.	Application to NCLT for approval of Resolution Plan	A+10 days	Resolution Professional

T) Term of the Plan and its Implementation Schedule:

a. Term of the Plan:

The Resolution Plan shall become binding on the Corporate Debtor and its workmen, employees, members, creditors, guarantors and other stakeholders involved in this Plan on the date on which this Plan is approved by the NCLT (such date being the “NCLT Approval Date”). The term of the Plan shall be from the NCLT Approval Date until the payments to the secured Financial Creditor as envisaged in the Plan are discharged and during such period, the Plan shall continue to be valid and subsisting. If any of the Creditors assigns its dues either partially or fully to any other person/ entity any time after approval of CoC, then this Resolution Plan shall be binding on the assignee as well.

b. Schedule for Implementation of the Plan:

As per the information provided by the Resolution Professional, below mentioned is the status of the licenses/approvals with respect to Shree Gopal Unit of the Corporate Debtor:

Licenses / Approvals	Valid Till
Factory License	December, 2021

Boiler Inspector approvals for all boilers	October, 2021
Chief Electrical Inspector approval	March, 2022
Electrical Certificate of Competency	April, 2022
Pollution Control Board – Consent to operate	September, 2022
Trade License	Please refer Note below
Fire Department clearance / approval	December, 2021
Hazardous Items Storages Licenses Validity:	
Chlorine Storage	September, 2021
Methanol Storage	December, 2021
Oxygen Storage	September, 2021
Sulphur Storage	December, 2021
Sodium Chlorate Storage	December, 2021
Furnace Oil Storage	December, 2021

Note: As informed by RP, it is understood that the trade license is not being issued by municipal corporation for the last 2 years due to non-payment of property tax.

c. Provided below is a timeline of events for implementation of the Resolution Plan:

Sr. No.	Activity	Timeline (days)	Responsibility
I - Approval of the Plan			
1.	Approval of Resolution Plan by the Adjudicating Authority and order being made available on the website of the Adjudicating Authority.	T	Resolution Professional
2.	Notice on the Corporate Debtor's website	T+1	Corporate Debtor/Resolution Professional
3.	Intimation to all the stakeholders by way of stock exchange announcement by the Corporate Debtor.	T+1	Corporate Debtor/Resolution Professional

II – Interim Period			
4.	Receipt of consent letters from the Resolution Professional, from the nominees of the Resolution Applicant and Financial Creditors to be appointed on the Monitoring Committee and immediate constitution of Monitoring Committee.	T+1	Resolution Applicant/ Resolution Professional/ Financial Creditors
5.	Establishment of Designated Account wherein the Upfront Cash Infusion proceeds will be deposited in accordance with the Resolution Plan and signing of Definitive Agreement with the Financial Creditors.	Within T + 60	Resolution Applicant/ Resolution Professional/ Financial Creditors
6.	Initiation of sale of non core assets at SGU Unit, Kamalapuram Unit and the Chaudwar Land	Within T + 60	Resolution Applicant/ Corporate Debtor
III – On Closing Date			
7.	Upfront Cash Infusion by the Resolution Applicant into the Corporate Debtor and payment of CIRP Costs and Workmen Liquidation Dues in accordance with the provisions of the Code and this Resolution Plan.	T + 60 (i.e., C)	
8.	Payment to Governmental Authorities as per the Resolution Plan.		
9.	Payment to Creditors (including Financial Creditors and Operational Creditors) and stakeholders as per the Resolution Plan and write-down, extinguishment, writing off, restatement or conversion of the relevant Liabilities, including		

	admitted debt in accordance with the Resolution Plan.		
10.	Issuance of fresh equity shares to the assenting Financial Creditors aggregating to 7.5% equity share capital of the Corporate Debtor in accordance with the Resolution Plan.		
11.	Acquisition of control of the Corporate Debtor by the Resolution Applicant and, in accordance with the Resolution Plan, the provisions of the Code and Applicable Laws.		
12.	Reconstitution of the Board of Directors of the Corporate Debtor with the new directors on the Board of Directors as nominated by Resolution Applicant in accordance with Applicable Laws.		
IV. After Closing Date			
13.	Issuance of Non- Convertible Debentures (“ NCDs ”) to assenting secured Financial Creditors in accordance with the Resolution Plan.	C + 90 days	Resolution Applicant/ Corporate Debtor
14.	Issuance of Cumulative Redeemable Preference Shares (“ CRPS ”) to Financial Creditors in accordance with the Resolution Plan	C + 90 days	Resolution Applicant/ Corporate Debtor
15.	Dissolution of Monitoring Committee and the Resolution Professional will be divested of his powers and responsibilities.	<i>(Please refer Note 3 below)</i>	Resolution Applicant/ Corporate Debtor
16.	Issuance and allotment of fresh equity shares to the eligible existing shareholders in accordance with the Resolution Plan	On and from C (but not later than C+ 6 Months)	Resolution Applicant / Corporate Debtor

17.	Distribution of the deferred amount amongst the Financial Creditors (A) Redemption of CRPS as per the Resolution Plan (B) Redemption of NCDs as per the Resolution Plan (C) Sale of assets as per the Resolution Plan	C+ 2 Years C+ 3 Years Within C+ 3 years	Corporate Debtor/ Resolution Applicant
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Note 1: The Resolution Applicant shall adhere to the payment priorities prescribed under the Code in respect of mandatory payments, as set out in the Plan.

Note 2: It is clarified that there shall be no change in control of the Corporate Debtor whatsoever, unless Upfront Cash Infusion has been made by the Resolution Applicant.

Note 3: It is clarified that the Monitoring Committee will be dissolved and the members thereof will be divested of their powers and responsibilities on:

- i. Closing Date; or*
- ii. On issuance of NCDs/CRPSs to assenting Financial Creditors in accordance with the Resolution Plan whichever is later.*

Therefore, for abundant clarity it is specified that the NCDs/CRPSs shall be issued, in accordance with the Resolution Plan, during the subsistence of the Monitoring Committee.

d. Acquisition of Corporate Debtor as a Going Concern:

- i. The Resolution Applicant / its Affiliates shall subscribe to equity shares of the Corporate Debtor such that they hold 85% of its paid up equity share capital;
- ii. The assenting Financial Creditors shall be allotted 7.5% of the paid up equity share capital of the Corporate Debtor by conversion of a portion of the admitted claim and
- iii. The balance 7.5% shall constitute the equity shares held by the existing shareholders (other than the Promoters / Promoters Group whose shares shall be extinguished)/ after extinguishment/write down of the existing equity shares of the Corporate Debtor.
- iv. The existing shareholding of shareholders (other than the Promoters/ Promoters Group) shall be written down and reorganised such that their stake in the Company is reduced to 7.5% and the face value of the shares shall be Rs. 10.

- v. Any fractional entitlements of equity shares resulting from therefrom shall be rounded off to the nearest whole integer. As a result, the Resolution Applicant shall acquire control of the Corporate Debtor as a going concern in accordance with Applicable Laws.
- vi. The extinguishment, write down and reorganization of the share capital of the Company as contemplated in the Resolution Plan will be completed within 6 (six) months from the date of approval of the Plan and all expenses and costs in relation thereto shall be borne by the Corporate Debtor.
- vii. The Resolution Applicant for the purpose of internal restructuring can transfer the ownership of the Corporate Debtor to its Affiliate subject to prior written approval of the Financial Creditors.

e. Capital Reduction and Re-organisation of Share Capital:

- i. Simultaneously upon issuance of the fresh equity shares of Rs. 10 face value to Resolution Applicant as contemplated above, as an integral part of the Resolution Plan, the issued, subscribed and paid-up equity share capital of the Corporate Debtor (excluding the fresh equity shares to be allotted) to the extent allocated to Promoters / Promoters Group shall stand extinguished/written down in full without payment of any consideration.
- ii. The issued, subscribed and paid up equity share capital of the Corporate Debtor post reorganisation and reduction shall stand reorganized as follows:

Particulars	Proposed		Existing paid up share capital	Proposed Reduction in paid up share capital
	Amount	% holding		

Fresh Equity Share Capital (face value of Rs.10 each)					
1	Promoters / Promoters Group (existing)	0.000	0.0%	6.920	100
2	Resolution Applicant*	46.750	85.0%	0	NA
3	Financial Creditors	4.125	7.5%	80.700	94.89
4	Existing Shareholders other than promoters/ promoters group	4.125	7.5%	171.070	97.59
Total		55.000	100.0%	258.690	

Note 1: including Affiliates and Financial investors; Resolution Applicant shall hold minimum of 51%.

- iii. The requirement of adding “and reduced” in the name of the Corporate Debtor shall stand dispensed with.
- iv. The Resolution Applicant shall be issued share certificates or share in dematerialized form in respect of 85% stake in the paid up equity share capital of the Corporate Debtor allotted to the Resolution Applicant in accordance with the Resolution Plan. Similarly, the assenting Financial Creditors shall, be issued share certificates or share in dematerialized form in respect of the 7.5% stake in the paid up equity share capital of the Corporate Debtor allotted to them by conversion of a portion of the admitted claim.
- v. Upon implementation of the extinguishment, write down and reorganization as set out hereinabove, the share certificates or shares issued in the dematerialized form, in respect of the cancelled equity share capital of the Company held by their respective holders shall also be deemed to have been cancelled and the share certificates or shares issued in the dematerialized form in respect of written down share capital shall be deemed to have been modified as set out in the Resolution Plan.
- vi. Explanation to Section 30(2)(e) of the IBC provides that, if any approval of shareholders is required under the Companies Act, 2013 or any other law for the time being in force for the implementation of actions under the Resolution Plan, such approval shall be deemed to have been given and it shall not be a

contravention of that act or law. Therefore, the approval of this Plan by the Adjudicating Authority shall be deemed to have waived all the procedural requirements in terms of Sections 66, 42 and 62 (1) (c) of Companies Act 2013, the NCLT (Procedure for Reduction of Share Capital) Rules, 2016 and other Applicable Laws including SEBI LODR (if then applicable). Accordingly, no approval or consent shall be necessary from any other person / Governmental Authority in relation to either of these actions under any agreement, the constitution documents of the Corporate Debtor or under any Applicable Law.

- vii. The order of NCLT approving this Resolution Plan shall act as the order and authority for the Company to issue, extinguish, write down and reorganise its share capital and forfeit all existing share application monies, whether received for equity shares or preference shares, if any, without any further approval or consent of any person and such issuance, extinguishment, write down and reorganisation shall be considered as carried out in accordance with the requirements of the Companies Act, 2013.

U) Reconstitution of Board of Directors and Management of the Corporate Debtor:

- i. On and from the Closing Date, all existing directors of the Corporate Debtor shall be deemed to have resigned and vacated their office, and the Board of Directors of the Corporate Debtor shall be reconstituted in accordance with Applicable Law (including the applicable requirements of appointing independent directors).
- ii. The Resolution Applicants propose a reconstitution of the management of the Corporate Debtor with professional managers having the relevant industry expertise, to be inducted under different organizational levels within the Corporate Debtor to drive

the turnaround of the Corporate Debtor and achieve the financials projections.

V) Supervision of Plan Implementation & Management of Affairs of Corporate Debtor

- i. Prior to the Closing Date:
 - a. After the approval of the Resolution Plan by the Adjudicating Authority, the rights of all shareholders of the Corporate Debtor will remain suspended, the existing Board of Directors of the Corporate Debtor will be deemed to have demitted office.
 - b. During the period between the NCLT Approval Date and the later of (a) Closing Date, and (b) issuance of the NCDs and CRPSs (“Interim Period”), a monitoring committee shall be constituted (“Monitoring Committee”) which shall comprise of the erstwhile Resolution Professional, 1 (one) representative from the secured Financial Creditors and 1 (one) representative from the Resolution Applicant. Without prejudice to the fact that the infusion of the Total Financial Outlay into the Corporate Debtor is made by the Resolution Applicant and/or the Affiliate, the Resolution Applicant along with the Monitoring Committee shall ensure proper implementation of this Resolution Plan.
 - c. During the Interim Period (i) The Monitoring Committee shall supervise the implementation of the Plan; (ii) The Monitoring Committee may decide to appoint advisors, legal and technical consultants, etc. as may be required; and (iii) The management and operations of the Corporate Debtor shall be undertaken and monitored by the Monitoring Committee in the ordinary course and on a going concern basis, and the existing Promoter Group shall not, during such period, participate in the Corporate Debtor’s management.

- d. During the Interim Period, the erstwhile Resolution Professional shall receive a fee of Rs. 2 (Two) lakhs per month. The members of the Monitoring Committee may decide to avail advisory/ legal services, if required and the fee payable for the services will be decided by the Monitoring Committee (including any legal costs which have arisen or may arise out of or in connection with the CIRP of the Corporate Debtor).
- e. During the Interim Period, all the decisions which could otherwise have been taken by the Corporate Debtor's Board shall be taken by the Monitoring Committee and that the Corporate Debtor's Board shall have no authority whatsoever to conduct the business of the Corporate Debtor. Any decisions taken by the Corporate Debtor's Board during the Interim Period shall be null and void and not be binding on the Monitoring Committee and/or the Corporate Debtor. All decisions of the Monitoring Committee shall be by way of a majority vote of all members present and/or voting.
- f. Without prejudice to the foregoing, it is hereby clarified that all costs and fees relating to any pending disputes, ongoing litigations or any appeals filed on or prior to the Closing Date, where such disputes/ litigations pertain to the CIRP of the Corporate Debtor and/or the Resolution Plan, and wherein the Resolution Professional is or has been made a party, such costs and expenses shall be met by the Corporate Debtor. By virtue of the order of Adjudicating Authority approving the Resolution Plan and on implementation of the Resolution Plan the Resolution Applicant shall bear the costs and expenses for such disputes that pertain to the CIRP of the Corporate Debtor and/or the Resolution Plan to the extent of Rs. 10 (Ten) lakhs. For incurring any such costs and expenses disputes that pertain to the CIRP of the Corporate Debtor and/or the Resolution Plan which exceed Rs.

10 (Ten) lakhs, the prior written consent of the Resolution Applicant shall be obtained. It is clarified that the Resolution Applicant and/or its Affiliates shall not bear any costs pertaining to the abovementioned disputes during the pendency of appeal/stay imposed on the implementation of this Resolution Plan.

- g. Further, the Monitoring Committee shall be required and entitled to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to implement and give effect to this Resolution Plan in accordance with its terms and shall act under the supervision of the NCLT.
- h. By virtue of the NCLT approval order the Monitoring Committee shall be authorized to implement the Plan in accordance with its terms. The Monitoring Committee or its members or the entities nominating such members for all acts done in good faith, in respect of the Resolution Plan Process including monitoring and management of the Corporate Debtor, shall not in any manner be liable for any and all such actions and/or omissions. Further, no liability shall be imposed on, or deemed to have been imposed on, or assumed by, the members of the Monitoring Committee and/or their advisors, by virtue of the powers, duties and responsibilities being exercised in terms of the interim governance mechanism provided under supervision of plan implementation and management of affairs of corporate debtor including, for instance, being classified as an occupier, persons in control or officer in default etc., under any Applicable Laws. Further, no suit, prosecution, or other legal proceeding shall lie against the members of the Monitoring Committee and/ or their advisors, for anything which is done in good faith or intended to be done in

good faith under or pursuant to the terms of the Plan and the IBC or CIRP Regulations.

- i. The costs incurred in continuing the business of the Corporate Debtor during such period shall be arranged for by the Resolution Applicant.
 - j. If so required by the Monitoring Committee, the current management team of the Corporate Debtor will undertake all such actions and shall do all such acts, deeds and things as may be necessary to implement the Plan (including executing any and all documents as may be required for the purposes of implementation of the Plan).
- ii. On the closing date:
- a. The Board of Directors of the Corporate Debtor shall be reconstituted in the manner determined by the Resolution Applicant, in accordance with Applicable Laws. All powers of the Board of Directors of the Corporate Debtor under Applicable Laws shall be restored, and the Board of Directors shall be entitled to exercise all powers of Board of Directors under Applicable Law, including under Section 179 of the Companies Act, 2013.
 - b. The entire management team (including key managerial personnel) of the Corporate Debtor shall be reconstituted in the manner determined by the Resolution Applicant.
 - c. The statutory auditor of the Corporate Debtor shall be deemed to have vacated its office, and, a person nominated by the Resolution Applicant, shall be designated and appointed as the statutory auditor of the Corporate Debtor on the same day when the existing statutory auditors deemed to have vacated the office.
 - 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 re-constituted Board of Directors of the Corporate Debtor shall be entitled to issue powers of attorney and / or other corporate authorizations or mandates so as 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.

- e. Constitutional documents of the Corporate Debtor shall stand amended if required, in the manner determined by the Resolution Applicant. The Resolution Applicant will have the right to change the name of the Corporate Debtor appropriately, if required, in due course of time.
 - f. The Corporate Debtor to make necessary filings and notifications to relevant Governmental Authorities in respect of the foregoing actions within the timelines prescribed under Applicable Laws. The Resolution Applicant may authorize some employee of the Corporate Debtor for making the said filings. The Financial Creditors will cooperate to provide all supporting documents as maybe required for making such filings and notifications.
- iii. On and after the Closing Date:
- a. The Resolution Applicant shall hold 85% of the issued and paid up equity share capital of the Corporate Debtor. The Resolution Applicant also confirms to hold and maintain 51% or more of the equity shares and voting rights of the Corporate Debtor, with a minimum lock in period of 1 (one) year as per the terms of the

RFRP and control the management and affairs of the Corporate Debtor.

- b. On the Closing Date, the Resolution Applicant shall acquire control over the Corporate Debtor, and shall thereafter, supervise the implementation of the Plan in accordance with its terms. The Monitoring Committee shall stand dissolved as provided in the Resolution Plan without any further action or deed required from the Corporate Debtor, Resolution Applicant or Monitoring Committee or any other person.
- c. All powers of the Board of Directors of the Corporate Debtor under Applicable Law, shall be restored, and the Board of Directors as re-constituted shall be entitled to exercise all powers of a Board of Directors under Applicable Laws, including under Section 179 of the Companies Act, 2013.
- d. On and from the Closing Date, the management team of the Corporate Debtor (including any key managerial personnel as defined in the CA 2013 ("KMP")) shall be reconstituted by the Resolution Applicant in accordance with this Plan. Each of the directors and/or KMP whose offices are being vacated pursuant to the provisions of the Resolution Plan shall have no claim against the Company either in law or tort including on account of any loss of office, profit or repute or otherwise and it is clarified that each of the directors who are also on the roll of the Company as employees shall cease to be the employees of the Company and their services shall deemed to be terminated on the NCLT Approval Date and the order of the Adjudicating Authority, filed with the jurisdictional Registrar of Companies shall be a conclusive proof thereof without requirements of any other document under the Applicable Laws.

- e. As of the Closing Date, the auditor of the Corporate Debtor shall be deemed to have vacated its office, and, a person nominated by the Resolution Applicant shall be designated and appointed as the auditor of the Corporate Debtor subject to ratification by Shareholders in the General Meeting.
- f. Pursuant to the foregoing, the shareholding of the existing Promoter and Promoters' Group shareholding will be extinguished and shall cease to be classified as promoters of the Corporate Debtor. All relevant applications and certifications/undertakings required by the relevant authorities shall be provided by the existing Promoter Group.
- g. The Resolution Applicant and/or its Affiliates shall in a suitable format submit to the Financial Creditors, who voted in favor of the Resolution Plan, a biannual report on the status of the implementation of the Resolution Plan.
- h. Further, it is proposed that following the Closing Date, the Company will investigate as to veracity of any violations, obligations, non-compliances or liabilities if any, and if so, take or cause to be taken remedial actions in this regard within a reasonable period of time, during which time no coercive action be taken against the Company. It is currently expected that a period of 12 (twelve) months from the NCLT Approval Date will be required for the Resolution Applicant and/or its Affiliates to evaluate the steps required to address the same and take steps to remedy such underlying breaches (if found true) to the extent practically possible and subject to the availability of the required documents/ information provided to the Resolution Applicant by the Resolution Professional, without prejudice to the provisions of extinguishment of liabilities contained in this Resolution Plan.

- i. Handover of/ Access to Company records/ assets/ properties:
The Resolution Professional/ management and officers of the Company shall allow possession of the premises/ offices of the Company, handover of/ access to all employees, customers, suppliers and all properties (including but not limited to moveable and immoveable, tangible and intangible, personal and real, corporeal and incorporeal), any and all assets and right, title and interest in all properties, fixtures, equipment and available spare parts and any other such component, to the extent available, passwords, bank account details, cheque books, share certificates (if any), pledge release forms, statutory registers, minute books, financial and tax records, all communication with vendors, customers, Government and regulatory authorities and all other books, records and documents pertaining to the Company and its business, information technology systems (including all softwares and hardwares), handover of/ access to ERP system etc. maintained by the Company or on its behalf to the Resolution Applicant on and from the Closing Date.

5. OBSERVATIONS AND FINDINGS:

- i. As per IBC Code 30(2)(a) – A Resolution Plan provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor.
- ii. As per Section 30(2)(b), the Resolution Applicant has agreed to pay operational creditors an amount which shall not be less than liquidation value or the amount that would have been paid to such creditors if the amount to be distributed under the Resolution Plan is distributed in accordance with priority under Section 53(1), whichever is higher.

- iii. The Resolution Applicant has agreed to meet the cost of project from existing resources including infusion of equity/debt through the parent company, from sale of unsold inventories and if required from raising finance through external sources.
- iv. The Resolution Applicant has also agreed that dissenting financial creditors shall be paid in priority and not less than the value they would have been paid in the event of liquidation of the Corporate Debtor. The Resolution Applicant has proposed to pay liquidation value to unsecured financial creditors who dissent from the plan.
- v. As per Section 30 (2)(c), provides for the management of the affairs of the Corporate Debtor after approval of the Resolution Plan.
- vi. Under Section 30 (2) (d) & Regulation 38(2)(c) provides for a term of the plan, implementation schedule and supervision of the Resolution Plan.
- vii. The Resolution Applicant proposes to appoint suitably qualified and experienced persons, key personnel and other officer for operations of the Corporate Debtor.
- viii. As per Section 30(2), the Resolution Plan does not contravene any of the provisions of the law for the time being in force.
- ix. As per Section 30(2)(f) the Resolution Applicant has given a declaration that the Resolution Plan does not contravene any provisions of the law for the time being in force.
- x. As per IBBI Guidelines 38(1)(b) - The amount payable under a Resolution Plan -to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the Resolution Plan, shall be paid in priority over financial creditors who voted in favour of the plan.
- xi. The resolution applicant or any of its related parties has not failed to implement or contributed to the failure of implementation of any

other resolution plan approved by the Adjudicating Authority at any time in the past.

- xii. The Resolution Plan is in compliance of the Regulation 38 of the Regulations in terms of Section 30(2)(f) as under:
- a. As per Regulation 38(1)(a) - The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors.
 - b. As per Regulation 38 (1)(b) - The amount payable under a resolution plan to the Financial Creditors, who have right to vote under sub-section (2) of section 21 and did not vote in favor of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan.
 - c. As per Regulation 38(1A) - The interests of all stakeholders (including Financial Creditors, Operational Creditors and other creditors, guarantors, members, employees and other stakeholders of the Company, keeping in view the objectives of the Code.
 - d. That the Resolution Applicant or any of its related parties has never 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. This is in compliance of Regulation 38(1B) of the Regulations.
 - e. The Resolution Plan has all the adequate means of supervising of the implementation of the Plan as required under Regulation 38(2) (c), of the IBBI, Insolvency resolution process for corporate persons, Regulation 2016.
 - f. Provides for the payment of CIRP Costs in priority to the repayment of any other debts of the Company.
 - g. Provides for the manner of implementation and supervision of the Resolution Plan and adequate means for implementation and supervision of the Resolution Plan.

- h. The Resolution Applicant confirms that to the best of the knowledge of the Resolution Applicant, the Resolution Plan is not in contravention of the provisions of Applicable Law and is in compliance with the Code and the CIRP Regulations.
- i. The Resolution Applicant confirms that the Resolution Applicant and its connected persons are not disqualified from submitting a resolution plan under Section 29A of the Code and other provisions of the Code and any other Applicable Law.
- j. Provides for the management and control of the business of the Corporate Debtor during its term.
- k. All the above factors demonstrate that the plan addresses the cause of default and the Resolution Applicant has the capacity to implement the Resolution Plan.

6. The Resolution Plan has been approved in the 26th COC meeting held on 14.04.2022 with 88% voting in accordance with the provisions of the Code.

7. In *K. Sashidhar v. Indian Overseas Bank & Others: 2019 SCC Online SC 257 (2019) 12 SCC 150* the Hon'ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements specified in Section 30(2). The Hon'ble Court observed that the role of the NCLT is 'no more and no less'. The Hon'ble Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is limited to scrutiny of the Resolution Plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the

grounds on which the Adjudicating Authority can reject the Resolution Plan is in reference to matters specified in Section 30(2) when the Resolution Plan does not conform to the stated requirements.

8. The Hon'ble Apex Court at para 42 in ***Committee of Creditors of Essar Steel India Limited Vs. Satish Kumar Gupta & Ors.: (2019) SCC Online***, clearly laid down that the Adjudicating Authority would not have power to modify the Resolution Plan which the CoC in their commercial wisdom have approved.

*“Para 42- Thus, it is clear that the limited judicial review available, which can in no circumstance trespass upon a business decision of the majority of the Committee of Creditors, has to be within the four corners of section 30(2) of the Code, insofar as the Adjudicating Authority is concerned, and section 32 read with section 61(3) of the Code, insofar as the Appellate Tribunal is concerned, the parameters of such review having been clearly laid down in **K. Sashidhar** (supra).”*

9. In view of the above ruling of the Apex Court, the legislature has given paramount importance to the commercial wisdom of committee of creditors (CoC) and the scope of judicial review by the Adjudicating Authority (AA) is limited to the extent provided under section 31 of Code and of the Appellate Authority is limited to the extent provided under sub-section (3) of section 61 of the Code, is no more an untouched-matter.

10. In view of the discussions and the law thus settled, the instant Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37, 38, 38(1A) and 39(4) of the Regulations. The Resolution Plan is not in contravention of any of the provisions of Section 29A of the Code and is in accordance with law. The Resolution Plan is feasible and viable.

Resolution Applicant agreed to pay the full CIRP costs and also future costs if any as certified by the Resolution Professional and CoC. The Resolution Plan balances the interest of all the stakeholders and thus it deserves to be approved.

ORDER

- i. The Interlocutory Application No. 1143 of 2022 is allowed. The Resolution Plan submitted by Finquest Financial Solutions Private Limited, is hereby approved. It shall become effective from this date and shall form part of this order. It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of payment of dues arising under any law for the time being in force is due.

- ii. The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law. It is seen that the Resolution Applicant sought several dispensations, concessions and waivers. Any waiver sought in the Resolution plan shall be subject to approval by the Authority concerned in the light of the Judgment of Supreme Court in ***Ghanshyam Mishra and Sons Private Limited v/s. Edelweiss Asset Reconstruction Company Limited***, the relevant para's of which are extracted herein below:

“on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in, respect to a claim, which is not part of the resolution plan.”

“95. (i) Once a resolution plan is duly approved by the adjudicating authority under sub-section (1) of Section 31, the claims as provided in

the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the adjudicating authority, all such claims, which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

(ii) 2019 Amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which the Code has come into effect;

(iii) consequently, all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the adjudicating authority grants its approval under Section 31 could be continued.”

- iii. The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), concerned for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.
- iv. The moratorium under Section 14 of the Code shall cease to have effect from this date.
- v. The Applicant and the Monitoring Committee shall supervise the implementation of the Resolution Plan and the Applicant shall file status of

its implementation before this Authority from time to time, preferably every quarter.

- vi. The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.
- vii. The Applicant shall forthwith send a copy of this Order to the CoC and the Resolution Applicant for necessary compliance.
- viii. The Interlocutory Application No. 1143 of 2022 is accordingly allowed and disposed of.

Sd/-

**MADHU SINHA
MEMBER (TECHNICAL)**

Sd/-

**H. V. SUBBA RAO
MEMBER (JUDICIAL)**