

# ASAHI INDUSTRIES LIMITED

**Regd. Office:** Ecomax Musrane, Taluka Wada, Dist. Thane – 421312. Tel.: 02526-220482  
**Corporate Office:** Ground Floor, Kamat Industrial Estate, 396, Veer Savarkar Marg, Prabhadevi,  
Mumbai – 400025. E-mail: [asahifibreslimited@gmail.com](mailto:asahifibreslimited@gmail.com)  
**CIN : L17120MH1993PLC073267**

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**Ref No.: SE/ASAHIND/2019-2020/16**

**07<sup>th</sup> December 2020**

To,  
The Secretary,  
(Listing Department)

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, 21<sup>st</sup> Floor, Fort,  
Mumbai - 400 001

**Ref.: Scrip Code -5144882**

**Subject: Submission of NCLT Order approving Resolution Plan for Asahi Industries Limited**

**Dear Sir,**

We wish to inform you that the company is under CIRP process and in this regards Hon'ble NCLT bench has approved Resolution Plan for the Asahi Industries Limited which was submitted by Safex Realtor Private Limited.

The copy of same is attached herewith for your record.

**For Asahi Industries Limited**

Sd/-

**Swaroop Singh Bhati**

**Company Secretary & Compliance Officer**



**NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH**

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

**M.A. NO. 129 OF 2020**

Filed by:

**Ankur Kumar**

Resolution Professional of Asahi Industries  
Limited,

Office No: 18, Pinnacle Corporate Park,  
'G' Block, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**...Applicant**

In the matter of

**C.P. (IB) No. 4312 OF 2018**

**Dena Bank**

C-10, G Block,  
Bandra Kurla Complex,  
Bandra East Mumbai – 400 051

**...Operational Creditor**

**versus**

**Asahi Industries Limited**

Ecomax, Musrane,  
Tal. Wada, Thane,  
Mumbai-421312

**Also at:** Ground floor, Plot No: 396,  
Kamath Industries Estate,  
Veer Savarkar Marg,  
Opp. Siddhivinayak Temple,  
Dadar (West) Mumbai - 400028

**...Corporate Debtor**

**Order Pronounced on: 13.11.2020**

**Coram:**

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

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

**Appearance:**

**For the Applicant RP:** Ms. Bindu Bhatia, Advocate

**Resolution Professional:** Mr. Ankur Kumar

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

**ORDER**

1. This is a Miscellaneous Application filed by the Resolution Professional Mr. Ankur Kumar, of Asahi Industries Limited (hereinafter called as the “corporate debtor”). This application has been filed under Section 30(6) of the Insolvency and Bankruptcy Code, 2016. The Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor was commenced by an order of this Tribunal dated 21.01.2019 in the current CP No. 4312 of 2019.
2. The applicant herein invited claims from the creditors and after receiving and verifying the claims submitted by them, constituted the Committee of Creditors (CoC) and its report was filed before this Tribunal on 18.02.2019. The meetings of the CoC were duly conducted by the applicant. In the 1<sup>st</sup> meeting of the CoC conducted on 20.02.2019, it was *inter alia* decided to appoint the applicant as the RP of the Corporate Debtor.
3. The applicant stated that in the 3<sup>rd</sup> meeting of CoC held on 08.04.2019, the CoC finalized the eligibility criterion of prospective Resolution Applicant and approved invitation of EOI and Form G and accordingly it was published two newspapers. The applicant mentioned that in the 4<sup>th</sup> CoC meeting which was held on 09.05.2019 but was cancelled due to insufficient quorum of CoC as prescribed under the Code; however, the consent for extension of date for submission of EOI to 23.05.2019 was received through letters by all the CoC members constituting 72.48% voting share. The applicant stated that in the 5<sup>th</sup> CoC meeting held on 25.05.2019, the applicant had informed CoC that he has prima facie not observed any preferential transactions and that five EOIs from the prospective Resolution Applicants were received and the same are under verification.
4. Further, in the 6<sup>th</sup> CoC meeting held on 19.07.2019, the applicant informed the members that none of the prospective Resolution Applicants meet the eligibility criteria as per EOI and thereafter, the CoC decided to issue fresh Form G after reducing net worth criteria of the prospective Resolution Applicant from 10 Crores to Rs. 3 Crores with other terms and conditions remaining the same and also decided to extend the CIRP of the Corporate Debtor for a further period of 90 days since the period of 180 days was ending on 21.07.2019. Accordingly, an application bearing number MA 2618 of 2019 under Section 12(2) seeking extension of CIRP Period of the Corporate Debtor by 90 days was filed before this Tribunal under Section

12 of the Code and accordingly the same was granted vide an order dated 26.07.2019 and extension was granted till 29.10.2019. The counsel for the RP stated that the RP has carried on all the procedure of the CIRP in a manner prescribed under the Code and has very well performed his duties within the prescribed time limit.

5. The counsel mentioned that the CoC meeting were properly conducted by the applicant. It was in the 9<sup>th</sup> meeting of the CoC conducted on 16.10.2019 that the Resolution Applicant had sought time till 22.10.2019 to furnish the details and clarification sought by the CoC in the Ninth meeting of CoC dated 16.10.2019. But due to the ongoing Diwali Vacations, the CoC meeting could not be conducted after receipt of the details/clarifications from the Resolution Applicant and it is pertinent to note that the CIRP Period ended on 29.10.2019. Therefore, the CoC meeting could not be convened for the purpose of considering the detail/clarifications submitted by the Resolution Applicant beyond the statutory period of 180 days. Thereafter, an application bearing on. 3570 of 2019 was filed before this Tribunal on 05.11.2019 seeking approval to convene the CoC meetings to consider the Resolution Plan submitted by the Resolution Applicant in the interest of the Corporate Debtor remain a going concern, which was duly allowed by this Tribunal vide an order dated 11.11.2019.
6. Later, on 21.12.2019, twelfth meeting of the CoC was convened whereby the members resolved that the revised Resolution Plan submitted by Safex Realtors Pvt. Ltd. on 26.11.2019 be approved by the CoC members. Therefore, the CoC approved this resolution plan submitted by the resolution applicant with **82%** voting rights and accordingly this application was filed by the Resolution Professional before this Tribunal.
7. The table below shows the summary of the revised Resolution Plan submitted by Safex Realtors Pvt. Ltd. on 26.11.2019 and approved by the CoC members is hereby reproduced:

<b>Particulars of Creditors</b>	<b>Admitted claim as included in IM (in Rs.)</b>	<b>Amount Payable (in Rs.)</b>	<b>Payment Timeline</b>
Secured	8,48,93,785.75	1,88,31,454 (NPV amount of Rs. 2,12,23,447)	Within T day + 30 days Rs. 1,88,31,454

Unsecured	36,42,77,840	3,64,27,785 (10% of the admitted amount)	<b>Upfront</b> Within T day + 30 days – <b>Rs. 25.0 lakhs,</b> thereafter, Within T day + 270 days – <b>Rs. 50.0 lakhs</b> Within T day + 540 days – Rs. 1.0 crore Within T day + 270 days Rs. 1,89,27,785
CIRP Cost	55,00,000	55,00,000	Upfront Within T day + 2 days- Rs. 55 Lakhs Excess and Less will be adjusted with payment of financial creditors.
Operational Creditors excluding Employees and workmen	1,88,72,369	9,43,618	Upfront Within T day + 30 days- Rs. 9,43,618/-
Operational Creditors (Employees and workmen)		NIL	
Contingency Fund		25,00,000	As and when required to

			meet future Legal & other cost
Related Party dues	6,84,14,259	NIL	
Equity Shareholders	N.A.	NIL	
Infusion for working capital requirement of CD		50,00,000	Within T day + 270 days- Rs. 25.0 Lakhs & Within T day + 720 days - Rs. 25.0 Lakhs
Infusion for capital expenditure requirement of CD		50,00,000	Within T day+360 days -Rs. 25.0 Lakhs and within T day + 720 days -Rs. 25.0 Lakhs
<b>TOTAL</b>	<b>54,19,58,255.75/-</b>	<b>7,42,02,857/-</b>	

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

RESOLUTION PLAN IN THE MATTER OF

**CORPORATE INSOLVENCY  
RESOLUTION PROCESS OF**

[CORPORATE DEBTOR - ASAHI  
INDUSTRIES LIMITEID]

CIN - L17120MH1993PLC073267

*A public company incorporated under the Companies  
Act, 1956, and existing under the Companies Act,  
2013, having its registered office at Ecomax. Musrane,  
Tel. Wada, Thane Maharashtra 421312 **India** and*

*having **its** corporate **once** at Ground floor, Plot No. -  
396, Kamath Industrial Estate, Veer Savarkar Marg,  
Opp- Siddhivinayak temple, Dadar (W), Mumbai-  
400028.*

NCLT MUMBAI Bench, C.P. No:  
4312/I&BP/MB/2018

**UNDER THE INSOLVENCY AND  
BANKRUPTCY CODE, 2016**

Pursuant to Section 31 of the Insolvency and Bankruptcy Code, 2016 read with  
Regulation 37, 38 and 39 of  
the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process  
for Corporate Persons) Regulations, 2016

SUBMITTED BY  
**SAFEX REALTOR PRIVATE LIMITED**

A company incorporated under Companies Act, 2013 having its registered office  
at 11/21,  
4th Floor, Mani Mahal, Padmakar L Khandke Marg, Mathew Road, Opera House,  
Girgaon,  
Mumbai- 400004

DATED: 25/11/2019

Submitted By –

Mr. Vinod Talreja  
Safex Realtor  
Private Limited, I  
1/21 4th Floor,  
Mani Mahal,  
Padmakar L Khandke  
Marg, Mathew  
Road, Opera House,  
Girgaon, Mumbai-

SUBMITTED TO:

Mr. Ankur Kumar, Resolution Professional Office  
No. 18, 1<sup>st</sup> Floor, Pinnacle Corporate  
Park, Next to Trade Centre, Bandra Kurla  
Complex, Bandra (E), Mumbai-400051

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**1. DEFINITIONS**

As used in the resolution plan, the following capitalized terms shall have the following meanings: The words not defined herein shall be as defined under the IBC Code and IBC Regulation.

<b>Abbreviation/ Definition</b>	<b>Full form/ reference</b>
Adjudicating Authority	The bench of the National Company Law Tribunal, Mumbai
Applicable Laws	All applicable laws, regulations, rules, guidelines, circular, ie- enactments, revisions, applications and adaptations thereto made from time to time and in force and effect, judgments, decrees, injunctions, writs and orders of an court, arbitrator or governmental agency or authority, court or statutory or other body applicable for such transaction including but not limited to the IBC, CIRP Regulations, Companies Act, 1956 / 2013 (as applicable), and Foreign Exchange Management Act, 1999, each as amended from time to time.
Board or Board of Directors	Shall mean the board of directors of the Corporate Debtor.
CI RP	Corporate Insolvency Resolution Process
CIRP Regulations	The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process fort Corporate Persons) Regulations, 2016, as amended time to time
CIRP Period	Shall mean the period of one hundred and eighty days from the ICD or such other extended period as per order by NCLT
CIRP Cost	Shall mean the corporate insolvency resolution cost incurred during the CIRP process of the Corporate Debtor, as per provision of the code, which shall include all going concern costs (whether incurred, accrued, approved, to be accrued and / or outstanding) by the corporate debtor or the resolution professional for managing the affair of the corporate debtor but limited to the amount disclosed by the Resolution Professional to the Resolution applicant.
<b>COC</b>	Committee of creditors constituted by the Interim Resolution Professional / Resolution Professional in accordance with the provisions of the IBC.

Debt	Mean a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt.
Corporate Debtor	Shall mean Asahi Industries Limited
Contingency Fund	Shall mean a fund for any unexpected costs incurred then created or added during the Resolution Plan term.
Dissenting Financial Creditor	Means a financial creditor who voted against the resolution plan or abstained from voting for resolution plan, approved by the committee of creditors.
Encumbrance Existing Financial documents	<p>Shall any right, title or interested existing or created or purported to be created in any manner whatsoever including by way of or in the nature of sale, agreement to sell, assignment, co-ownership, attachment, pledged, hypothecation, charge, lien option or rights of pre-emption, entitlement to ownership (including usufruct and similar entitlements) and any other interest or right held, or lien whatsoever that could be raised or exercisable by third part and term “Encumber” shall be constructed accordingly.</p> <p>shall include but not limited to all loan agreement, facility agreements, debenture trust deeds, mortgage deeds, memorandum of entry (along with undertaking), hypothecation deeds/agreements. charge deeds, pledge agreements, deed of assignments, security trustee agreement, inter-creditor agreements, escrow agreement, demand promissory notes and all other agreements, deeds or documents entered into with the Financial Creditors in relation to the existing Financial Debt. the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;</p> <p>receivables sold or discounted other than any receivables sold on non- recourse basis;</p> <p>any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial</p>

	<p>effect of a borrowing; 2 [Explanation. -For the purposes of this sub-clause, - any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and the expressions, “allottee” and “real estate project” shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act,2016;</p> <p>any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account; any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;</p> <p>the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clause (a) to (h) of this clause;</p>
Existing Security Interest	<p>Shall mean all mortgages, pledged, hypothecation, assignments, deposit arrangement, Encumbrances, lien(statutory or other), trust arrangement, preference, priority or other security agreement of any kind or nature whatsoever, whether created by the corporate debtor or by any other person with respect to Financial Debt availed by the Corporate Debtor ,including without limitation</p> <p>i)any conditional sale or other title retention agreement, any financing or similar statement or notice filed under any recording or notice statute, and any lease having substantially the same effect as any of the foregoing; (ii) any designation of loss payees or beneficiaries or any similar arrangement under any insurance contract; and (iii) all corporate guarantees and personal guarantees issued by any</p>
	<p>personincludingthepromotersofcorporatedebtorstosecuretheFinancialdebt and shall include all the rights, title, interest, benefits, claims and demands whatsoever of Financial Creditors on each of the before said arrangements and security interest.</p>
Effective Date	<p>The date on which Resolution Plan is approved by the Adjudicating Authority</p>

Financial Creditors	Means any person to whom a financial debt is owed and includes a person whom such debt has been legally assigned or transferred to , but excluding any creditors who is related party of the corporate debtor
Financial Debt	Means a debt along with interest, if any ,which is disbursed against the consideration for the time value of money and includes – d) money borrowed against the payment of interest; e) any amount raised by acceptance under any acceptance credit facility or its dematerialized equivalent; (d) f) Any amount raised pursuant to any note purchase facility or issue of bonds, notes, debentures, loan stock or any similar instrument; of whatsoever nature which is required to be obtained from and/or granted by any governmental authority required from time to time.
Governmental Authority	Any nation or government or any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative function of or pertaining to government including any government authority, agency, department, or any political subdivision thereof or any other applicable jurisdiction; any court, tribunal, or arbitrator or other adjudicatory authority & any securities exchange board of India.
insolvency Commencement Date	Shall mean insolvency commencement date of the corporate debtor being 21/01/2019
Information Memorandum	Shall mean information memorandum issued by the Resolution in August, 2019 with respect to the Corporate Debtor.
IBC or Code	Insolvency and Bankruptcy Code, 2016
ICD	Insolvency Commencement Date
Licenses and Permissions	Shall mean any consent, license, approval, permit, registration, ruling, exemptions, no-objection certificate or other authorization on or permission.
Listing Regulations or	Securities and Exchange Board of India <b>(SEBI)</b> (Listing Obligations and Disclosure

LODR	Requirements), Regulations, 2015
Monitoring Committee	Committee constituted by RA for monitoring & implementation of resolution plan
NCLT	shall mean the Hon'ble National Company Law Tribunal, Mumbai, Bench
Operational Creditor	Means a person whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred
Operational Debt	means a claim in respect of the provision of goods or services including employment or a debt in respect of the repayment of dues arising under any law for the time being in force and payable to the Central Government, any State Government or any local authority as generally defined as Statutory dues under this Resolution Plan.
Other Creditors	shall mean any Creditor of the Corporate Debtor, other than Operational Creditors and the Financial Creditors.
Person	Shall mean an individual, a partnership firm, an association, a corporation, a limited company, a trust, a body corporate, bank or financial institution or any other body, whether incorporated or not.
Resolution Applicant	Safex Realtor Private Limited
RFRP	Shall mean the request for Resolution plan dated 28th Aug 2019
Resolution Plan	Shall mean this Resolution Plan including all Annexures, Schedules
RP/Resolution Professional	Shall mean Resolution Professional, Mr. Ankur Kumar, having Registration Number IBBI/IPA-OO2/lpN00113/20L7-78/10283, who has been appointed as resolution professional by the CoC. For the purposes of various information/data provided to the Resolution Applicant, the reference to the Resolution Professional/RP in this Resolution Plan shall include the reference to the representatives of the Resolution Professional, and his team.
ROC	Shall mean the Registrar of Companies
Statutory Due	Shall mean all amounts due and/or payable to the Governmental Authorities under or pursuant to any Applicable Law including all Taxes, by

	the Corporate debtor for any activity/period prior to the trigger date, whether admitted or not, due or contingent, asserted or unasserted, assessed or unassessed, crystallized or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future.
Stock Exchange	BSE Ltd
Taxes	Shall mean and include any and all foreign, central, state, municipal and local  (or equivalent) taxes of any country, assessments and other governmental charges, custom duties, duties, impositions and liabilities, including taxes based upon or measured by gross receipts, income, profits, sales, service, use and occupation, and value added, ad valorem, stamp duty, withholding, excise, customs and property taxes together with all interest, penalties, fines and additions imposed, with respect to such amounts and any obligations under any agreements or agreements with any other person with respect to such amounts or any amount imposed by or payable to a Governmental Authority, including any Liability for Taxes of a predecessor entity.
Title Deed	Shall mean all conveyance deeds, sales deeds, title documents, property deeds/documents, ancillary documents, undertaking, etc. evidencing the title of the relevant person on the property and shall include all other documents submitted by such person to the concerned Financial Creditor at the time of creation of security over such property.
Trigger Date or T Day	Shall mean the date on which the NCLT approval order is received by the Resolution Applicant.
Transfer Date	Shall mean a date by which all the rights will be assigned in the favor of Resolution Applicant by signing required documents.
Unpaid Debt	Shall mean the debt less the proration amount of the Upfront Cash utilized towards payment of the Debt and the portion of debt that is to be paid on deferred basis.
Workmen and Employee Dues	Shall mean the operational debt outstanding and payable by the corporate debtor to the workmen & employee of the corporate Debtor

## **2. SUMMARY PROPOSAL OF THE RESOLUTION APPLICANT**

### **A . Outline of Resolution Plan**

1. This Resolution Plan (**'Resolution Plan'**) has been readied in connection with the CIR process with respect to Asahi Industries Limited ('Corporate Debtor') and pursuant in the Information Memorandum ('IM') and other related communication front the Resolution Professional of the CorporateDebtor.
- 2.The Resolution Plan set out herein is as per the terms set out in IM and information based on Internet, public or open sources and independent investigation. For ease, the Resolution Plan has been split into various paras.
3. The Resolution Plan with focus on turn around of business of the Corporate Debtor is proposed by Safex Realtor Private Limited (U70109MH2019PTC325180) having address at 11/21 4th Floor, Mani Mahal, Padma kazal Khadke Marg, Mathew Road, Opera House, Girgaon. Mumbai-400004
4. The Resolution plan envisages investment of Rs 7,42,02,857/- by the Resolution Applicant as mentioned in subsequent paras this Resolution Plan.
5. Submission of Earnest Money Deposit: As per terms and conditions set out in the Expression of Interest ("EOI"), the applicant have to deposit INR 10,00,000/- ( Rs. Ten Lakhs) . Therefore, Resolution Applicant has deposits the EMD for the said amount.
6. The word "we" refers to 'investor' or 'Resolution Applicant'

### **B. The Resolution Applicant**

This Resolution Plan is proposed by the Resolution Applicant named below :

1. Safex Realtor Private Limited, is a company incorporated under Companies Act,2013 having its registered office 11/21, 4<sup>th</sup> Floor, Mani Mahal, Padmakar L KhandkeMarg, Mathew Road,

Opera House, Girgaon, Mumbai-400004

2. The RA is in the business of purchase of any movable or immovable property including industrial, commercial, residential or farm lands, plots, building , houses, apartments or area within or outside the limit of Municipal Corporation or other local bodies, anywhere within the domain of India, to divide the same into suitable plots and to rent or sell the plots for building/construction residential houses, bungalows, business premises and colonies and rent or sell the same and realize cost in lump sum or easy installments or by hire purchase system.
3. Resolution Applicant may, in future, collaborate with other Investors and industry experts, who may be interested in participating in Resolution Plan as approved by the NCLT to bring with them the wealth of industry/technical knowledge/experience and resources. This may be needed for the growth of corporate debtor to meet up the technical prowess/know how of the prevailing times, to grow the business, partly to make up for the lost time in a faster manner as and when need arises.
4. To strengthen the management team, the RA will appoint additional appropriate senior personnel who would be selected based on the needs of the corporate debtor.

### **C. Highlights of the Resolution Plan**

- a) Corporate Debtor is a public limited company listed on BSE Ltd. The company was engaged in spinning, weaving and finishing of textiles under the name of M/s. Asahi Fibres Ltd. and in year 2010 the company changed its name to M/s. Asahi Industries Ltd.
- b) The Resolution Applicant will bring investment in a fair combination of loans and equity. Resolution Applicant on full diluted basis shall hold about 0equity stake in corporate debtor. The Resolution Applicant, subject to compliance with the provisions of the Companies Act. 2013 and such rules, regulations framed therein under and Listing Regulation, retains the right to increase the present Authorized



Capital to Accommodate issuance of additional capital as and when the need arises.

- c) The current shareholding pattern as per the Information Memorandum is as under-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	0	32225870	32225870	48.50	0	32225870	32225870	48.50	0	0.00
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0	0.00
<b>SUB TOTAL:(A)</b>										
(1)	0	32225870	32225870	48.50	0	32225870	32225870	48.50	0	0.00

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Jaybharat Textiles And Real Estate Ltd.	32225870	48.50	0.00	32225870	48.50	0.00	0.0
	<b>Total</b>	<b>32225870</b>	<b>48.50</b>	<b>0.00</b>	<b>32225870</b>	<b>48.50</b>	<b>0.00</b>	<b>0.0</b>

We believe that this exercise of turning around of corporate debtor will need INR 7.12 Crores as estimated by us. which infusion is economically feasible for corporate debtors at the present state. The fund infused shall be utilized for settlement of liabilities as stated in the plan as below.

**DETAILS OF SETTLEMENT PLAN TO VARIOUS CREDITORS AND INFUSION  
OF ADDITIONAL FUND FOR THE REVIVAL OF CORPORATE DEBTOR:**

Sl. No.	Particulars	Admitted claim as included in IM (in Rs.)	Amounts Payable (in Rs.)	% of Admitted Amount	Payment timeline
1.	Financial Creditors	44,91,71,627.75	5,52,89,239		
a.	Secured	8,48,93,785.75	1,88,31,454 (NPV amount of Rs. 2,12,23,447)	22.18%	<b><u>Upfront</u></b> Within T day + 30 days Rs. 1,88,31,454
b.	Unsecured	36,42,77,842	3,64,27,785	10 %	<b><u>Upfront</u></b> <ul style="list-style-type: none"> <li>• Within T day +30 days – Rs 25.0 lakhs , thereafter,</li> <li>• Within T day +270 days Rs 50.0 lakhs</li> <li>• Within T day +540 days Rs. 1.00 crore</li> <li>• Within T day +720 days Rs. – 1,89,27,758/-</li> </ul>
2.	CIRP Cost	55,00,000	55,00,000	100%	<b><u>Upfront</u></b> Within T day +2 days – Rs. 55.0 Lakhs  Excess and Less will be adjusted with payment of financial creditors.
3.	Operational Creditors excluding Employees and workmen	1,88,72,369	9,43,618	5.0%	<b><u>Upfront</u></b> Within T day +30 days – Rs. 9,43,618/-



4.	Operational* Creditors (Employees and workmen)		NIL	NIL	-
5.	Contingency Fund		25,00,000		As and when required to meet future Legal & other Cost
6.	Related Party dues	6,84,14,259	NIL	NIL	-
7.	Equity Shareholders	N.A	NIL	NIL	-
8.	Infusion for working capital requirement of CD		50,00,000		Within T day + 270 days – Rs. 25.0 Lakhs & Within T day + 720 days – Rs. 25.0 Lakhs
	Infusion for capital expenditure requirement of CD		50,00,000		Within T day + 360 days – Rs. 25.0 Lakhs and Within T day + 720 days – Rs. 25.0 Lakhs
	<b>TOTAL RESOLUTION PLAN AMOUNT</b>		<b>7,42,02,857</b>		

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

4. The Secured Financial Creditor will release the charges & interest in the entire land & building in favour of the resolution applicant, provided as an additional security by one of the guarantor of corporate debtor, which is essential for the implementation of the resolution plan as the same building is/will be used towards worker's accommodation & storage of raw material.

5. Any and all Operational, statutory creditors, other liabilities and other contingent liabilities which are unknown & unlisted in IM shall not be paid by the

RA.

6. Corporate Debtor under the RA would be liable to pay off any unknown dues from any development agencies, tax & statutory Authorities against corporate Debtor for period prior to approval of Resolution Plan.

7. The fee payable to Resolution Professional as part of CIR process and other cost constituting CIRP cost would be settled at 100% out of investment of Rs. 7,42,02,857/-towards settlement of liabilities. In case, Resolution professional fee and other CIRP cost is paid by financial creditors, the same shall be reimbursed in full to the concerned Financial Creditors.(s)

8. The Resolution Applicant would not be liable to pay off any demand against the corporate Debtor in the ongoing court cases including cases in appeal by or against the corporate debtor. All litigation initiated by financial and / or operational creditors against corporate debtor shall be withdrawn consequent to approval of the Resolution Plan.

9. Corporate Debtor shall be entitled to carry forward accumulated losses under the provision of Income Tax, 1961 notwithstanding change in the shareholding patterns of corporate debtor.

10. The Resolution Applicant would not be liable for any other liabilities either contingent or otherwise other than those mentioned above and summarized in the financial plan and would be fully indemnifies against all legal issues and litigations of the previous years of the company after approval of the Resolution Plan.

**1. PROFILE OF THE RESOLUTION APPLICANT**

**Profile of SAFEX REALTOR PRIVATE LIMITED**

**i. Business and background of the RA, its history, geography of operations.**

Safex Realtor Pvt. Ltd. (**‘Resolution Applicant**) is private limited company incorporated on 24<sup>th</sup> May,2019 with ROC, Mumbai with an authorized share capital is 10.00 Cr. and paid up share capital of Rs. 5.00 Cr. The registered office of the Resolution Applicant is at 11/21, 4<sup>th</sup> Floor, Mani Mahal, Padmakar L Khandke Marg, Mathew Road, Opera House, Girgaon, Mumbai – 400 004.

Mr. Vinod Talreja is the main promoter of the Resolution Applicant. He has been engaged in the business of International Trading, Imports and Exports, Real Estate Investments and Textile Business for last 35 to 40 years.

Mr. Vinod Talreja, Mr. Vinod B Ghate, are the directors of the Resolution Applicant.

The Resolution Applicant is involved in buying of pre-leased properties on BLOT basis. It is involved in real estate activities with own or leased property.

**ii. Details of RA’s Shareholding**

The shareholding pattern of the Resolution Applicant is as under :

S. No.	Maine	No. of Shares	Nominal Value ( FV of Rs. 10/- each)
1.	Vinod Talreja	49,99,999	4,99,99,990.00
	Vinod Ghate	1	10.00
	Total	50,00,000	5,00,00,000

**iii. Brief overview of the management personnel of the RA:**

Mr. Vinod Talreja, Mr. Vinod B Ghate, are the directors and KMP of the Resolution Applicant to strengthen the management team, the RA will appoint additional appropriate senior personnel who would be selected based on the needs of the corporate debtor.

**2. Overview of the Corporate Debtors and the Proposed Plan****1. The Resolution Applicant's Focus:**

The recent development in the textile industries in the domestic as well as international markets have open various opportunities for the Indian Textile sector. In India, the major share of the textile industry is operating through unorganized sector. In India, the major share of the textile industry is operating through unorganized sector, however, govt recent thrust on textile industry, economy of scale will drive the cost competitiveness vis-à-vis low cost producers such as China.

In view of better future of textile industry, the Resolution Applicant wishes to set up integrated textile project with value added chain and hence this resolution plan.

The vision of the Resolution Applicant is to re-affirm and achieve Corporate Debtors past peak possible position in the Textile space, By leveraging its operating experience, high quality per qualification and in-house resources to capitalize on the prevalent market opportunities by securing new clients and higher capacity utilization, optimal and profitably. Resolution Applicant would re-establish itself as a strong resource, capable of delivering the Textile products and in the process continue to create employment opportunities.

It is observed that Corporate Debtors unit is closed. The Resolution Applicant with infusion of necessary working capital aims to start the operation of the corporate debtor capitalizing on the skill sets available with a focus to improve operating profit margins. Existing employees/workmen in the unit is also an advantage base for rebuilding company.

**2. Brief status Background & Turnaround Plan:**

- a. Our understanding of the Corporate Debtor, is based on the Information Memorandum and other information provided to us by the Resolution Professional. Based on such

information, our broad understanding of the Corporate Debtor is as follows.

b.The Corporate Debtor is a public limited company incorporated in India on 02/08/1993with corporate identification number L I7120MH 1993PLC073267 and having its registered office at Ecomax, Musrane, Tal. Wada, Thane Mh 421312India. The company is listed on BSE Ltd., however there is no trading company shares.

Asahi Industries Limited(ASAHIIND | 514482 | INE745I01015)

02 Jul 19 | 16:00 | All Prices in ₹

3.14-0.16 (-4.85%)

GSM Stage 1 | IRP Stage 0

Archives

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Previous Close	3.30	52 Wk High	3.36	TTQ	100	EPS (TTM)	-1.34	Category	Listed
Open	3.14	52 Wk Low	3.14	Turnover (Lakh)	0.00	CEPS (TTM)	-0.34	Group	ZP
High	3.14	Upper Price Band	3.29(5%)	Mcap Full (Cr.)	20.86	PE	-2.34	Index	-
Low	3.14	Lower Price Band	2.99(5%)	Mcap FF (Cr)	10.85	PB	-3.20	Industry	Textiles
VWAP	3.14	2W Avg Qty	100	Face Value	1.00	ROE	136.62		

High Lows

High Lows

52 Week High (adjusted)	3.36 (08/03/2019)
52 Week Low (adjusted)	3.14 (02/07/2019)
52 Week High (Unadjusted)	3.36 (08/03/2019)
52 Week Low (Unadjusted)	3.14 (02/07/2019)
Month H/L	
52 Week High (adjusted)	3.36 (08/03/2019)
52 Week Low (adjusted)	3.14 (02/07/2019)
52 Week High (Unadjusted)	
52 Week Low (Unadjusted)	3.14 (02/07/2019)
Month H/L	/

c. The Corporate Debtor is inter alia into Textile sector and has been into spinning and weaving of cotton. The company has a manufacturing plant located at Valsada as per following details:

**Land and Locality:**

- i. Plot No. 14 & 15, Survey No. 227(pt), Village Daheli, Sanjan Road, Taluka Umbargaon, Dist. Valsad.

(manufacturing plant)

Title description:

- Lease Agreement 11<sup>th</sup> January 2010 between M/s. Asahi Fibers Ltd “Lesser” & Mr. Narendru Sharma “Lessee”. The description of land is as under:

Particulars	Holding Type	Current Ownership	Area (in Acre)
Industrial Land	Leasehold Land	M/s. Asahi Industries Ltd.	1035.00 sq. mtrs

- ii. Survey No. 48-P Village Malav, Sanjan Road, Taluka Umbargaon, Dist. Valsad. (workers quarters)

Title description:

As per the Lease Deed dated 26<sup>th</sup> November 2010 between Shri. Rampratap Radhakishna Tayal (Lessor) and Everlong Trading Private Limited (lessee), the description of land is as under :

Particulars	Holding Type	Current Ownership	Area (in Acre)
Industrial Land	Leasehold Land	M/s.. Asahi Industries Ltd.	<b>3 Acres 1 Guntha i.e.</b> 12,238 sq. mtrs

- d. The corporate debtor is a public company whereby individuals have a shareholding of

48.5 % and the holding company has a shareholding of 48.5%. The shareholding pattern of the Corporate debtor is as follows-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	0	32225870	32225870	48.50	0	32225870	32225870	48.50	0	0
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0	0
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0	0
e) Any other	0	0	0	0.00	0	0	0	0.00	0	0
<b>SUB TOTAL:(A)</b>										
(1)	0	32225870	32225870	48.50	0	32225870	32225870	48.50	0	0

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% char in sh Hold during Y.
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Jaybharat Textiles And Real Estate Ltd.	32225870	48.50	0.00	32225870	48.50	0.00	0
	<b>Total</b>	<b>32225870</b>	<b>48.50</b>	<b>0.00</b>	<b>32225870</b>	<b>48.50</b>	<b>0.00</b>	<b>0</b>

The group company i.e. Jaybharat Textiles and Real Estate Ltd. has a stake of 48.50% in the shareholding of the Corporate Debtor.

**e. Understanding of reasons for the current financial distress of the Corporate Debtor.**

The financial performance and cash flows of the company were adversely affected since onwards due to overall recession in textile sector apart from shortage of fund to carry out operations at plant and decline in sales.

As per the Resolution Applicant the reasons for default by the Corporate Debtors is:

- General recession coupled with reduced order
  - Inadequate working capital
  - other
- f. The key elements of the Resolution Plan propose for corporate debtors is equity infusion, debt settlement in full, addressing dues of the operational and other creditors, future working capital requirements, organizational and operational strategies.

- g. The vision of RA will be to re-affirm and achieve its peak possible position in the textile sector by undertaking manufacture of thread and looms. By leveraging its operating experience, high quality per-qualifications and in house resources to capitalize on the prevalent market opportunities by securing new clients and higher capacity utilization, optimal and profitably, Corporate Debtor will re-establish itself as strong resource, capable delivering in its chose area of operations and in the process continue to create employment opportunities.
- h. The Resolution Applicant intends to repay debt and fund working capital requirements of the corporate debtor.
- i. The Resolution Applicant while reorganizing the structure would have liberty to dispose-off, replace the machineries of the Corporate Debtor which are not suitable as also introduce new updated technologies to enhance the product manufacturing which ought to be good result oriented.
- j. The Resolution Applicant while, reviving operations, would have liberty to undertake renovation, restoration, modification or such other measures with respect to plant and equipment building and/or structure, including their sale-off, as may be required for complying with the subject to the provisions of the various laws, rules and regulations made there under and applicable thereof. Such renovations, restoration modification measures will be aimed to enhance efficiency of the plant, Improve working conditions and safety standards in the plant.
- k. The Resolution Applicant, while reviving the operations, would have liberty to get fresh/seek renewal of approval from various central and state agencies, any licensing authorities and any other statutory agencies and no such approval shall be withheld in terms of the past default/non-compliance by the Corporate Debtor.

1. The Resolution Applicant while reorganizing would have liberty to deny any demands or any attachment order arising out of default committed by the Corporate Debtor prior to the approval of the Resolution Plan by the Hon'ble NCLT.
- m. Once Corporate Debtor operations are stabilized, it will generate value for all its stakeholder in the long run.

### **3. Business Plan:**

This industry, on average as we understand operates at EBITDS of (.). As Resolution Applicant would settle or restructure all the present creditors namely, Financial and Operational, Employee and Statutory dues and reorganize Corporate Debtor operations **“on a clean slate”**. The Resolution Applicant also plan to provide the need based working capital as loans or through such other arrangement as may be considered necessary.

The Resolution Applicant shall have the liberty to merge Corporate Debtor with its own company or with other companies. It shall be discretion of the Resolution Applicant to take over any other company the outcome of which seems fruitful to the company. We, therefore, with reorganization foresee adequate profit to take care of contingencies or unforeseen events.

### **Financial Plan:**

- a. The RA will invest Rs. 7,42,02,857 in a phased manner. Of the total investment Rs.55.0 lakhs will be utilized for payment of CIRP cost, settlement of liabilities as set out in the Information Memorandum and in accordance with the schedule outlined in Annexures to Resolution Plan and Rs. 1.0 Crores for replenishing working capital and capex. The infusion by the Resolution Applicant shall be in combination of debt of equity.

- b. The RA will subscribe to such number of equity share of the Corporate Debtor and the Corporate Debtor shall issue such number of equity shares as would entitle them to about 75.00% of the fully diluted paid-up equity share capital of the Corporate Debtor. The Corporate Debtor shall take all measures and comply with such requirements as may be prescribed under the LODR and Companies Act, 2013 to enhance the Authorized Share Capital to facilitate issue of new shares to the RAs.
- c. Money infused by the RA shall be in combination of equity share and loan and subject to terms and conditions in this plan.
- d. Contingent Liabilities: The Resolution Applicant has not made any provisions for any contingent liabilities, hence will not be liable for any such claims other than those provided in the financial plan submitted.
- e. The current administration personnel of the Corporate Debtor shall be expanded and used for taking over the role of tasks required. From the date of approval of the Plan by NCLT till the effective Date, Resolution Professional, as Insolvency Professional under the guidance of the Steering Committee comprising representative of the Committee of Creditors and Resolution Applicant shall manage and control the business of the Corporate Debtor and shall oversee implementation of tasks listed in the implementation schedule. Subject to the terms of this Resolution Plan, the Steering Committee shall have the same power and shall follow the same procedures, including in respect to voting, as prescribed under the Code for the Committee of Creditors. The Insolvency Professional shall manage and control the Corporate Debtor in trust and for the benefit of the Resolution Applicant, and no other person or stakeholder.
- f. With effect from the Effective Date, the existing Board of Directors of the Corporate Debtor shall be superseded and

replaced by a new Board constituted by the Resolution Applicant in accordance with the extant laws and regulations. The Resolution Applicant shall have the right to replace and appoint key management personnel as also undertake necessary capital expenditure and repair and maintenance to ensure efficient operation at the Plant. The existing manpower of the Corporate Debtor is proposed to be retained in the employment and shall be suitably augmented wherever deemed necessary. The Resolution Applicant shall also have the right to replace existing Statutory Auditor of the Corporate Debtor and appoint new Auditor as it deems fit.

**4. DETAILS OF THE PROPOSED RESOLUTION / TRANSACTION STRUCTURE**

**4.1 Summary of Total cash outlay of all the creditors:**

The Resolution Applicant propose to pay following amount under Resolution Plan:

Particulars	Amount	Time Frame
<p><b>A) Payment towards CIRP Cost:</b></p> <p>The outstanding CIRP costs has been estimated by the Resolution Applicant to be up to Rs. 55,00,000/- (Rs. Rupees Fifty five Lakhs based on the information provided by the Resolution Professional. RA propose to pay CIRP cost on actual basis as contemplated by Resolution Professional. In the event, CIRP Cost is less than Rs. 55,00,000/- same will be adjusted from the payment of financial creditor in ratio of the voting right of member of COC. In the event, CIRP Cost is less than Rs. 55,00,000/-, the excess amount shall be added to the Financial Creditors Cash Payment in the ratio of the</p>	<p>Rs.55,00,000/-</p>	<p>Within T day+ 2 days- Rs. 55,00,000/-</p>

voting rights of the member of COC.		
<b>B) Payment towards Operational Creditors:</b> Liquidation value due to the remaining Operational Creditors being towards the statutory dues of the corporate debtor and other creditors. (Including Related Party Creditors)	Rs. 9,43,618/-	Upfront Within T day +30 days-Rs. 9,43,618/-

<b>C) Payment towards Financial Creditors:</b> The total CIRP cost incurred or to be incurred till the Effective Date is estimated to be Rs. 55,00,000/- (RA propose to pay CIRP cost on actual basis as contemplated by Resolution Professional. In the event, CIRP Cost is more than 55.0 Lakhs same will be adjusted from the payment of financial creditors in the ratio of the voting rights of members of COC. In the event, CIRP Cost is less than 55.0 Lakhs same will be adjusted to the payment of Financial Creditors in the ratio of the voting rights of the member of COC. Total consideration is to be distributed in the following ratio- <ul style="list-style-type: none"> <li>Secured Creditors – Rs. 1,88,31,454</li> <li>Unsecured Creditors –Rs. 3,64,27,785</li> <li>The creditors will be paid in the ratio of their voting share.</li> </ul>	Rs. 5,52,89,239	Secured Creditors <u>Upfront</u> Within T day +30 days-Rs. 1,88,31,454,  Unsecured Creditors <u>Upfront</u> Within T day +30 days-Rs. 25.0 lakhs, Thereafter  <u>Upfront</u> Within T day +270 days-Rs. 50.0 lakhs,  Within T day +540 days-Rs. 1.0 Crore  Within T day +720 days-Rs. 1,89,27,785/-
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D) Payment to other creditors and Shareholders (Related party dues, Existing Shareholder of the Corporate Debtor, Contingency Liability)	Nil	
<b>TOTAL CASH PAYMENT (A)</b>	6,17,02,857/-	
E) RA propose to infuse Rs. 25,00,000 as contingency fund to meet the expenses like legal and such other cost.	Rs. 25,00,000/-	AS and when required
F) Capital Expenditure (Capex): RA propose to infuse Rs. 50,00,000 for capital expenditure. RA will infuse funds as and when required for the up gradation of existing capacity	Rs. 50,00,000/-	Within T day + 360 days – Rs. 25 lakhs and Within T day + 720 days – Rs. 25 lakhs
G) Working Capital: RA propose to infuse Rs. 50,00,000 for the working capital requirement of corporate debtor. RA will infuse funds as per the working capital requirement of corporate debtor.	Rs. 50,00,000/-	Within T day + 270 and Within T day +720days – Rs. 25 lakhs
<b>TOTAL (B)</b>	1,25,00,000	
<b>TOTAL RESOLUTION PLAN AMOUNT (A+B)</b>	7,42,02,857/-	
<b>6.1</b>	<b>Payment of the CIRP Cost:</b>	
	<p>6.1.1 RA have estimated CIRP cost to be Rs. Fifty Five Lakhs. Any excess or shortfall will be accordingly adjusted with the payment of financial creditors. All the CIRP cost incurred by Resolution Professional after approval of resolution plan by COC will be with due intimation to RA or the monitoring committee appointed by RA.</p> <p>6.1.2 In terms of section 30(2) (a) of the IBC, the CIRP costs are to be</p>	

	<p>paid in priority to any other creditor of the corporate debtor. Accordingly, RA have proposed to allocate Rupees Fifty Five Lakhstowards CIRP which will be paid in priority to all other debt.</p> <p>6.1.3 As the corporate debtor is a closed concern and existing CIRP amount has already partially been paid off through Financial Creditors. Hence the proposed amount to be issued by the RA towards CIRP cost, shall be paid firstly towards outstanding CIRP cost and secondly towards repayment to existing financial creditors.</p>
<b>6.2</b>	<p><b>Payment towards Operational Creditors:</b></p> <p>6.2.1 In the Terms of section 30(2)(b) of the IBC, the operational Creditors are required to be paid the amount in the event of a liquidation of the corporate debtor under section 54; or the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan has been distributed in accordance with the order of priority in sub-section (1) of section 53. Whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of liquidation of the corporate debtor.</p> <p>6.2.2 Liquidation value due to remaining operational creditor is not known to RA. AS per information Memorandum shared by Resolution Professional, we conclude that liquidation value due to remaining operational creditor will <b>NIL</b>.</p> <p>6.2.3 RA propose to pay Rs. 9,43,618 as a full and final payment towards remaining operational creditor (which also includes dues of Central Government, any State Government any other local authority)</p>
<b>6.3</b>	<p><b>Payment to other creditors (Related party dues, Existing Shareholders of the Corporate Debtor, Contingency Liability):</b></p> <p>6.3.1 As per Information Memorandum received by Resolution Professional, RA have proposed to protect interest of all the stakeholders of corporate debtor.</p>



	<p>6.3.2 RA propose to pay rupees NIL as the full and final settlement towards all other creditors which are not mentioned in 6.3 &amp; 6.4 (Including but not limited to payments towards related party dues, existing shareholders of the corporate debtor and contingency liabilities.</p> <p>6.3.3 RA propose to infuse Rs. Twenty Five Lakhs as contingency fund to meet the expenses like legal and such other costs.</p>
<b>6.4</b>	<p><b>Payment to Financial Creditors:</b></p> <p>6.4.1 The total CIRP cost incurred or to be incurred till the Effective Date is estimated to be Rs. 55,00,000. RA propose to pay CIRP cost on actual basis as contemplated by Resolution Professional. In the event, CIRP Cost is more than Rs.55,00,000 same will be adjusted from the payment of financial creditors in the ratio of the voting rights of members of COC. In the event, CIRP Cost is less than Rs.55,00,000 same will be adjusted to the payment of Financial Creditors in the ratio of the voting rights of the member of COC.</p> <p>RA propose to pay Rs. 5,52,89,239/- <b>(financial debt settlement amount)</b> as full and final settlement towards all rights and claims of financial creditors (manner of the same is mentioned in Point 8 below). Total consideration is to be distributed between all the financial creditors as follows:</p> <ul style="list-style-type: none"> <li>1,88,31,454/- to Secured Financial Creditors (Rs.1,88,31,454/- upfront within 30 days): Within T days + 30 days Rs. - 1,88,31,454/-</li> <li>Rs. 3,64,27,785/- to other financial creditors as under:</li> </ul> <p>Upfront</p> <ul style="list-style-type: none"> <li>Within T days +30 days- <b>Rs. - 25.0 lakhs, thereafter</b></li> <li>Within T days +270 days <b>Rs. - 50.0 lakhs</b></li> <li>Within T days +540 days <b>Rs. - 1 crore</b></li> <li>Within T days +720 days <b>Rs. - 1,89,27,785/-</b></li> </ul>

	<p>6.4.2 With regards to unresolved bank guarantess / letter of credit, such bank guarantees / letter of credit shall continue to be in existence and the Financial Creditor holding such bank guarantees / letter of credit shall honor the payment when the bank guarantee / letter of credit is invoked by the beneficiary or is due. It is expressly state that the Company shall neither be liable to honor the bank guarantees / letter of credit nor shall it be obliged to renew the bank guarantees / letter of credit or provide any assistance to the Financial creditors to content or defend any claims that are raised by the beneficiary. The satisfaction or payment by the financial creditor upon receipt of any claims in connection with the afore mentioned bank guarantee / letter of credit shall not be construed as a default on part of the corporate debtor and any modification required in the bank guarantee / letter of credit documents to reflect such arrangement shall be made prior to the transfer date. The payment of the financial debt settlement amount shall be considered as full and final settlement of all the liabilities of the corporate debtor for any payment made by the financial creditors to the respective third-party beneficiaries as when such payment is made by the financial creditors in future.</p> <p>6.4.3 RA presumed all the lenders where corporate debtor has given any guarantees have submitted their claim if any. After payment of financial debt settlement amount, guarantees given by corporate debtor is considered as full and final settlement.</p>
<b>6.5</b>	<p><b>Capital Expenditure:</b></p> <p>6.5.1 RA propose to infuse Rupees 50,00,000 for capital expenditure. RA will infuse funds as per the timeframe mentioned in the Clause 6 above for the up gradation of existing plan and other facility.</p>
<b>6.6</b>	<p><b>Working Capital:</b></p> <p>6.6.1 RA propose to infuse Rupees 50,00,000for the working capital requirement of Corporate debtor. RA will infuse funds as per the timeframe mentioned in the Clause 6.</p> <p>6.6.2 This Industry is very volatile in terms of demand in the market. Due to high cost of raw material for the finish goods, RA propose to</p>

	infuse working capital as per the timeframe mentioned in the Clause 6 above.						
7	<b>MANAGEMENT AND CONTROL OF AFFAIRS OF THE CORPORATE DEBTOR</b>						
7.1	<b>Up to Transfer Date</b>  From the submission of Resolution Plan up to the Effective Date, the Resolution Professional shall continue to manage the business and operation of the Corporate Debtor. The Resolution Professional shall ensure that not material adverse charge is cause to the business and operations of the corporate debtor, the assets of the Corporate Debtor are not increased in any manner.  7.1.1 During the period from the effective date and up to the transfer date, the Corporate Debtor shall be managed by the monitoring committee, as set out in this Resolution Plan, which shall be immediately appointed as per terms here of upon sanction of the Resolution Plan by NCLT.						
7.2	<b>From the Transfer Date</b>  7.2.1 On and from the transfer date, upon implementation of Resolution Plan, the total shareholding of the corporate debtor shall be held as follows: <table><tr><td>Shareholder</td><td>Percentage of Total paid up Equity Share Capital</td></tr><tr><td>Resolution Applicant</td><td>Upto 75%</td></tr><tr><td>Public</td><td>Upto 25%</td></tr></table>	Shareholder	Percentage of Total paid up Equity Share Capital	Resolution Applicant	Upto 75%	Public	Upto 25%
Shareholder	Percentage of Total paid up Equity Share Capital						
Resolution Applicant	Upto 75%						
Public	Upto 25%						

8	<b>UTILIZATION OF FUNDS AND THEIR RIGHTS</b>			
	<b>A. Summary of utilization of total cash outlay:</b>			
	<b>Particular</b>		<b>Amount</b>	
	<b>Upfront Cash</b>		<b>Rs. 2,77,75,072/-</b>	
	Utilization of funds		This will be paid to the financial creditors, operational creditor and CIRP Cost.	
	<b>Capital Expenditure</b>		<b>Rs. 50,00,000</b>	
	Form of Capital Expenditure Funding		Investment in Plant and Machinery	
	<b>Working Capital Expenditure</b>		<b>Rs.50,00,000</b>	
	Form of Capital working capital expenditure funding		To run the day to day operation of the company.	
	<b>Revised Shareholding in the corporate debtor upon implementation of this Resolution Plan</b>		Upto 75% of Equity Share Capital to Resolution Applicant and Upto 25%Public Shareholding as per SEBI LODR regulations	
<b>Ownership/Security</b>		The existing security interest including all assets will be charged to Resolution Applicant.		
	<b>B. Summary of security rights to be created for the amount infused.</b>			
	<b>Particular</b>	<b>Financial Instrument (security) to be issued.</b>	<b>Security Holder</b>	<b>Total</b>
	Upfront Amount	2,77,75,072	Resolution Applicant	2,77,75,072
	A) Payment towards CIRP Cost: Resolution Applicant will infuse 55,00,000in Corporate Debtor as unsecured	Unsecured Loan worth Rs. 55,00,000	Resolution Applicant	Rs.55,00,000

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	creditors and shareholders will be paid Nil as their full and final settlement. RA propose to infuse Rs. 25,00,000/- as contingency fund to meet the expenses like legal and such other costs as unsecured loan having coupon of 0.1%	Loan of Rs.25,00,000 /-		
	E) Payment to Financial creditors of Rs.5,52,89,239/- as per time schedule mentioned in clause 6.	Equity Shares of Corporate Debtor & security over immovable assets of CD.	Resolution Applicant	Rs.5,52,89,239 /-
	F) Capital Expnediture: RA propose to infuse Rs. 50,00,000/-in corporate debtor for capital expenditure as unsecured loan having coupon of 0.1%	Unsecured Loan	Resolution Applicant	Rs.50,00,000/-

	G) Working Capital: RA propose to infuse Rs.50,00,000/- in corporate debtor for working capital as unsecured loan having coupon of 0.1%	Unsecured Loan	Resolution Applicant	Rs.50,00,000/-
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**a. Payment towards CIRP Cost:**

RA will infuse Rs. 55,00,000/- in corporate debtor as unsecured loan with coupon rate of 0.1% for payment towards CIRP Cost.

- b.** RA will infuse Rs.9,43,618/- in corporate debtor as unsecured loan with coupon rate of 0.1% towards payment of remaining operational creditor will be as per the manner set out in point 6 above.

**c. Payment towards Financial Creditor:**

RA will infuse a total amount of Rs.2,13,31,454/- in form of upfront cash and Rs. 3,39,27,785 as deferred cash payment.

**d. Payment to other creditors (Related party dues, Existing Shareholders of the Corporate Debtor, Contingency Liability):**

- i. RA propose to pay rupees NIL as full and final payment towards dues of related party liabilities. contingency liabilities and other creditors which include but not limited to Income tax, Sales Tax, Goods and Service Tax, Tax deducted at source, Registrar of Companies Provident fund authority, Employee State Insurance corporation.

- ii. As the net worth of corporate debtor is already negative, RA propose to cancel all shares allotted to existing shareholder, equivalent amount shall be transferred to capital reserves. No Amount shall be payable towards the extinguishment of all the equity shared of such existing shareholders.
- iii. As the RA propose to infuse the funds by way of unsecured loan and Equity Share Capital accordingly existing authorized share capital of the corporate debtor shall be increased.
- iv. RA propose to infuse As. 25,00,000/- as contingency fund to meet the expenses like legal and such other costs.
- v. The Corporate Debtor shall not be required to make any separate application before the Hon'ble NCLT under the provisions of the IBC and that the approval of this Resolution Plan by the Hon'ble NCLT shall be treated as if the necessary approvals required to have been obtained under the Companies Act, including consent of shareholders or creditors of the Corporate Debtor and applications to any other appropriate authority, as required under the Companies Act, together with the process laid down under the Companies Act, have been obtained and duly complied with.
- vi. No future approval of the Hon'ble NCLT will be required to give effect to the Capital Reduction under the Companies Act and there shall be no requirement to add "and reduced" in name of the Corporate Debtor as the approval of the Resolution Plan by' the Hon'ble NCLT shall be deemed to be an order under Section 66 of the Companies Act along with other applicable provisions of the Companies Act, sanctioning and approving the Capital Reduction and all



matters hereto.

- vii. The Capital Reduction will be approved and implemented pursuant to the provisions of the IBC specifically Regulation 37 of the CIRP Regulations read with Section 31 of the IBC. The Compliance with the provisions of the Resolution Plan and the Capital reduction shall be deemed to be in accordance with and constitute compliance with any and all provisions of Applicable Law that would have otherwise applied to a similar reduction of capital under the Companies Act, the Income Tax Act 1961 and/ or under rules/ circulars/ regulations issued thereunder.

**e. Capital Expenditure:**

RA propose to infuse Rs. 50 lakhs in corporate debtor for capital expenditure.

RA will infuse capital expenditure in the form of unsecured loan at 0.1% coupon, and this will be termed as Restructured Capex Term Loan.

**i. Working Capital:**

RA propose to infuse Rs. 50,00,000 in corporate debtor first working capital expenditure. RA will infuse working capital in the form of unsecured loan at 0.1% coupon, and this will be termed as Restructured working capital loan.

**ii. Execution of the Shareholders Agreement between the Corporate Debtor, RA and Secured Financial Creditors:**

Post the payment of the Upfront Cash by the Resolution Applicant, as contemplated in the Resolution Plan, RA and the Corporate Debtor shall enter into the Shareholders Agreement in order to record the specific mutual understanding and agreement between the parties, as to their respective rights and obligations with regard to the business relationship among them and with the Corporate Debtor and in relation to the management and operation of the Corporate Debtor in accordance with the terms and conditions thereto.

The Shareholders Agreement shall be entered into in the form and format as mutually agreed between them.

**9. TERM, IMPLEMENTATION SCHEDULE AND MONITORING OF THE RESOLUTION PLAN****a. Supervision of Resolution Plan from the effective date until the transfer date:**

- i.** The Resolution Professional shall continue to manage the operations of the corporate debtor until the effective date. From the approval date and until the transfer date, an Independent monitoring committee, consisting of RP, representatives from COC, shall be appointed for corporate debtor. The Monitoring committee shall supervise the implementation of the Resolution Plan, and shall be required and entitled to do all

the acts, deeds, matter and things as may be necessary, desirable or expedient in order to implements and give effect to this Resolution Plan, and shall act under supervision of NCLT. The monitoring committee shall have the same functions, powers and protections as assigned to Resolution Professional under the IBC. Until the transfer date, the COC shall continue with its roles and responsibilities, and have protections, as set out in the IBC. All the decisions of the monitoring committee shall be taken by the unanimous consent of the members of monitoring agency. Members of monitoring committee can be the employees of Resolution Applicant.

- ii. Monitoring committee will arrange meetings on time to time basis with notice in advance to understand current stage of implementation of resolution plan and future course of action with respect to resolution plan. The fees and other cost relating to monitoring committee and meetings arranged by monitoring committee will be incurred and paid out of the cash flows of the corporate debtor. Constitution of monitoring committee is sole discretion of resolution applicant.

**b. Supervision of Resolution Plan on and after the transfer date:**

- i. The Board of Directors of the restructured corporate debtor shall put in place an adequate mechanism for supervising the implementation of the resolution plan.
- ii. The Board of Directors will take a detailed understanding of the status of corporate debtor from monitoring committee. Monitoring Committee can also propose any of its members to be the director of corporate debtor. RA can appoint its

own Board of Directors or any person as it may deem fit in the Board of Directors.

**c. Term of Resolution Plan:**

- i. In the terms of Section 31 (1) of the IBC, this Resolution Plan shall become binding on the corporate debtor and its employees, members, creditors, guarantors and other stakeholders including the Tax Authorities, Stamp Duty Authorities and other Government Authority involved in this Resolution Plan on the date of which this Resolution Plan is approved by the NCLT.
- ii. For the effective implementation of Resolution Plan and management of the corporate debtor, the authorized share capital of the corporate debtor will stand increased to such extent as may be required to enable restructuring of the paid-up share capital of the corporate debtor. The said increase shall take effect by virtue of the sanction of Resolution Plan.
- iii. The effectiveness and implementation of the Resolution Plan shall be subject to and conditional on the fulfillment of the Conditions Precedent and grant of reliefs & concessions as set out in this Resolution Plan. It is clarified that if all the conditions precedent and all the reliefs and concessions as set out in this resolution plan are not fulfilled and /or granted then the Resolution Plan shall be deemed not approved by the NCLT.
- iv. Implementation of this Resolution Plan will require execution of inter alia the following definitive agreements (below mentioned documents are indicative in nature):

- The necessary documents including the power of attorney, sale deed(s), conveyance deed(s), deed(s) of novation such other documents as required to give effect to resolution plan;

d. **Illustrative Timelines implementation plan (Same is Illustrative implementation plan, RA will put all its efforts to adhere to the plan):**

	Step Details	Timeline
1.	<b>Approval of the Committee of Creditors</b> <ul style="list-style-type: none"><li>➤ The Resolution Plan to be approved by the COC.</li><li>➤ Once approved by the COC, the Resolution Plan will have to be filed with the Adjudication Authority for its approval.</li></ul>	After Approval by CoC
2.	<b>Constitution &amp; Appointment of Monitoring Committee</b> <ul style="list-style-type: none"><li>➤ Setting out of Roles &amp; Responsibilities &amp; criteria for appointing Monitoring Committee.</li><li>➤ Constitution &amp; appointment on the basis of criteria fulfillment.</li></ul>	On or before the approval of NCLT.
3.	<b>Approval of the Adjudicating Authority</b> <ul style="list-style-type: none"><li>➤ Receipt of the certified copy of the order of the NCLT sanctioning the Resolution Plan and fulfillment of conditions prescribed, if any, by NCLT in its said order.</li></ul>	Date of Receipt of Order
4.	<b>Constitution of Board</b>	T day+ 30 days

	➤ Constitution of New Board of Directors, if required.	
5.	<b>Payment of CIRP cost having first priority</b>  ➤ Payment of CIRP Cost.	T day +2 day
6.	<b>Payment to Financial Creditor and Other Creditor</b>  ➤ Payment of Workmen & Employees Dues.  ➤ Payment of other operational creditors.  ➤ Payment to Financial creditors.	Upfront Within T day + 30 days. Within T day + 30 days. Rs. 21331454/- (Upfront) Within T day + 30 days.
7.	<b>Infusion for Capital Expenditure (50.00 lakhs)</b>	Within T day + 270 days— Rs. 25.0 Lakhs & Within T day +720 days — Rs. 25.0 Lakhs
8.	<b>Infusion for Working Capital (50.00 lakhs)</b>	WithinTday+270 days— Rs. 25.0 Lakhs & WithinTday+720 days— Rs.25.0Lakhs.

**MANDATORYCONTENTS OF THE RESOLUTIONPLAN**

- a. The amount due to Operational Creditors—to be given priority in payment over financial creditors (Regulation38(1)(b))
- b. Term of Plan and its implementation schedule (Regulation38(2)(a))

- c. Management and control of the affairs of Corporate Debtor after approval of the Resolution Plan (section 30(2)(c) / Regulation38(2)(b))
- d. Adequate means for supervision of implementation (Regulation38(2)(c))
- c. Compliance with the provisions of law for the time being in force (Section30(2)(e))
- f. Statement as to how the applicant has dealt with interest of all Stakeholders in Resolution Plan (Regtilation38 (1 A)):

- **Insolvency Resolution Process Costs**—RA proposes to pay Rs 40.0 Lakhs for CIRP costrefer.
- **Financial Creditors** — RA proposes to pay Rs. **5,52,89,239/-** to financial creditors
- **Operational Creditors (other than Workmen, Employees)** - RA proposes to pay Rs. 9,43,618 to remaining operationalcreditors.
- Shareholders- RA proposes to cancel all the existing shares and pay Nil amount to theshareholders
- Other Creditors - RA proposes to pay Nil amount to other creditors (other than mentionedabove

g Disclosure under Regulation 38(3): Certain details of Resolution Applicants: All the points of this resolution plan collectively form basis of proof that, this plan is feasible& viable, has provision & timelines for the approvals required, has complied with the provisions of law time being in force and the Resolution applicant has the capability to implement the resolution plan.

- h. Eligibility declaration by Resolution Applicant under section29A
- i. Declaration that the plan is not in contravention of the provisions of any applicable laws.

**RELIEFS AND CONCESSIONS**

Details of concessions or reliefs to be sought by the corporate debtor and /or Resolution Applicant from various parties as details hereunder. For effective implementation of the Resolution Plan for the benefit of all stakeholder for the corporate debtor, the Hon'ble NCLT is humbly requested to kindly grant the following reliefs and concessions:

- a. Hon'ble NCLT be pleased to give for issue necessary directions, instructions to all relevant Government Authorities including the ROC that the Corporate Debtor, its directors and its key managerial personnel, officers and employees appointed after the Trigger Date not be held liable in respect of all statutory/regulatory non-compliance having occurred prior to the Transfer Date, including with respect to various provisions of Applicable Laws including but not limited to be Companies Act, 1956 and / or Companies Act, 2013 and / or the Taxation Laws and also of non-preparation and no approval of financial statements for any of the financial years prior to the Transfer Date. To allow amendment in the Memorandum of Association and Articles of Association without approaching the Central Government and grant exemption to the company for holding Annual General Meeting of the members and other formalities. To provide for / to be complied with the terms and conditions stipulated in the scheme without calling the General Meeting of shareholders the Company.
- b. Hon'ble NCLT be pleased to give or issue necessary directions, instructions to all relevant Governmental Authorities to waive off all penalties, charges, fees, etc. arising out of any non-compliances having occurred prior to the Transfer Date with respect of



various provisions of the Applicable Laws including but not limited to the property laws, labour laws, i.e. the Employee State Insurance Act, the Provident Fund Act, the Industrial Disputes Act, the Payment of Bonus Act, the Contract Labour Act, the Minimum Wages Act, the Equal Remuneration Act, the Factories Act, the Gratuity Act, etc. and to withdraw all/any pending proceedings in case of such labour laws or property laws against the Corporate Debtor for any period prior to the Transfer Date;.

- c. Hon'ble NCLT be pleased to give or issue necessary directions, instructions to all relevant Governmental Authorities to waive off all charges, fees, penalties etc. arising out of any increase in authorized share capital of the existing corporate debtor.
- d. Hon'ble NCLT be pleased to give or issue necessary directions, instructions to all relevant Governmental Authorities to continue to make available the Licenses and Permissions to the corporate debtor and waiver from obtaining any approval or no-objection, and the business may continue being carried out as being carried out prior to the Insolvency Commencement Date.
- e. Hon'ble NCLT be pleased to give direction that dues under the provisions of all the indirect taxes, including but not limited to, the Central Excise Act, 1944, the Finance Act, 1994 (Service Tax), the Customs Act, 1962, relevant State Value Added Tax Act, the State Tax on Entry of Goods into Local Areas for Consumption. Similar Delhi or Haryana VAT / ST Acts, the Central Sales Tax Act, 1956, provident fund contributions or payments, employee state insurance and gratuity contributions, real estate taxes or other duty or taxes of any kind levied by any Government Authority arising in respects of periods upto to

Transfer Date and any other indirect tax laws, including taxes, duty, penalties, interest, fines, ceases, charges unpaid TDS / TCS (to the extent applicable), whether admitted or not, due or contingent, whether part of the contingent liability schedule dues or not, whether claimed by the tax authorities or not, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, in relation to any period prior to the acquisition of control by the Resolution Applicant over the corporate debtor pursuant to this plan, shall stand extinguished by virtue of the order of the NCLT approving this plan and the CD or RA shall not liable to pay any amount against such demand. All outstanding litigations / demands / assessments / appellate, or other proceedings, including but not limited to any audits, investigations, search and seizure, pending in case of the CD, on the date of the order of the NCLT relating to the period prior to the date, shall stand terminated and all consequential liabilities, if any, shall be deleted and shall be considered to be not payable by the CD by virtue of the order of the NCLT. The statutory authorities shall not charge any penal interest, simple interest, compound interest, damage charge (if any), whether provided or not provided in the Books of CD, as the liability of the CD as on the date of approval of this plan. All notices proposing to initiate any proceedings against the CD in relation to the period prior to the date of NCLT order and pending as on the date, shall be considered deleted and shall not be proceeded against. Any proceedings which were kept in abeyance in view of insolvency process or otherwise shall not be revived post the order of NCLT;

- f. Hon'ble NCLT be pleased to give or issue necessary directions, instructions to the Central Board of Direct

Taxation ("CBDT"), Central board of Indirect Taxes, Customs, Value Added Tax authorities, State Governments Tax Authorities to grant the reliefs/exemptions/waivers from (i) all Tax liabilities (including interest and penalty) and tax Proceedings arising in respect of periods up to the Transfer Date, Including such liabilities/Proceedings which are already crystallized or may crystallize subsequent to the Transfer Date in respect of on-going or potential Tax litigations at all levels; ii) from applicability of section 170 of the Income tax act,1961, in the hand of Resolution Applicants, which deals with successor liability of Resolution Applicants in respect of outstanding Tax Liabilities of the Corporate Debtor, in respect of transactions arising as a result of giving effect to the Resolution Plan; iii) from applicability of section 79 of the Income Tax Act,1961 which deals with affording a reasonable opportunity of being heard to Jurisdictional Principal Commissioner; iv) from applicability of section 281 of the Income tax Act,1961 for implementation of various transaction contemplated under this resolution Plan including obtaining no-objection certificate from income tax authorities in respect of all the pending proceedings and dues(including interest and penalty) of the Corporate Debtor rising for periods upto the transfer date ( including such Proceedings and dues for periods prior to the Transfer Date that may crystallize subsequent to the Transfer Date; and (v) from treating any truncation contemplated in this Resolution Plan as being void or non-complaint with any provision of the Income Tax Act,1961;

- g. Other than person receiving settlements under this plan, no other payments or settlements (of any kind) shall be made to any other person in respect of claim filed under the CIRP (including, for avoidance of doubt , any unverified portion of their claims) and all

claims against the CD, its Promoters, Directors, officers or any Associates, affiliates along with any related legal processing, including criminal proceeding and other penal proceedings, shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity on Effective Date.

- h. The payment of persons contemplated in this Resolution Plan shall be the CD's and RA's full and final performance and satisfaction of all its obligations to such person and all claims (including , for the avoidance of doubt, any unverified portion of their claims) of such Persons against the CD and Affiliates shall stand irrevocably and unconditionally settled and extinguished in perpetuity on the Effective Date.
- i. The IRP issued a notice inviting all potential claimants to submit their proofs of claims. This was published in the newspaper in accordance with the applicable law. The said Resolution Plan is being proposed in order revive the stressed corporate debtor entity by way of rearranging / restructuring asset and liabilities of the CD and in the best interest of stakeholders of the CD to the extent possible. With this objective, the RA assumes that all the creditors of the CD that have nay claims against the CD have filed their claims and the verifiable claims have been admitted by the IRP/RP and disclosed in the IM and its supporting documents. Accordingly, the RA the CD shall have no responsibility or liability in respect of any against the CD along with its Promoters, Directors, Officers or any associates attributable to the prior period to the Effective Date other than any payment to be made under this resolution Plan and all claims along with any related legal proceedings, including criminal proceedings, and other penal proceedings, shall stand irrevocably and

unconditionally abated, settled, and extinguished in perpetuity.

- j. Upon the approval of the Plan by the NCLT under section 31 of the IBC, all pending proceedings, if any, relating to the winding up of the CD shall stand irrevocably and unconditionally abated in perpetuity and all violation or breach of any agreement of the CD shall stand condoned or waived, and such agreement shall be treated as if no violation or breach has ever been committed.
- k. Upon the approval of the Plan by the NCLT under section 31 of the IBC, all the terms and conditions of the existing contracts shall not be binding on the corporate debt or and any breach in the terms and conditions of the existing contracts shall stand condoned or waived and such agreements shall be treated as if no violation or breach has ever been committed;
- l. On the Effective Date, all encumbrances, security , interest , lines and / or attachments ( including pursuant to applicable law) created or suffered to exist over the assets of the CD, its promoters, directors, officers or associates or affiliated over the securities of the Corporate Debtor, whether by contract or by applicable law shall stand vacated and all commenced by any person over any of the assets of the CD or over any securities of the CD along with other assets of promoters charged with the Financial Creditors to secure the debt of CD shall stand vacated without the requirement of any further deed or action on part of the RA or the CD.
- m. The Secured Financial Creditor will release the charge & interest in the entire land & building in favour of the Resolution Applicant, provided as an

additional security by one of the guarantor of corporate debtor, which is essential for the implementation of the resolution plan as the same building is/will be used towards worker's accommodation & storage of raw material.

- n. On the Effective Date, the guarantors that have provided guarantees for and on behalf of and in order to secure the Debt availed by the Corporate Debtor, shall not be entitled to exercise any subordinate rights in respect of such guarantees.
- o. On the Effective Date, all the outstanding negotiable instruments issued by the Corporate Debtor or by any person acting on behalf of the Corporate Debtor including demand promissory notes, post dated cheques and letter of credit shall stand terminated and the Corporate Debtor's liability under such instruments shall stand extinguished.
- p. On the Effective Date, the rights of any person ( whether exercisable now or in the future and whether contingent or not) to call for allotment, issue, sale, or transfer of shares or loan capital of the Corporate Debtor, whether on a change of control, or otherwise, shall stand unconditionally and irrevocably extinguished.
- q. All liabilities (whether contingent or crystallized) in relation to any corporate guarantees, indemnities, and all other forms of credit support provided by the Corporate Debtor prior to the Effective Date shall stand extinguished and discharged on the Effective Date.
- r. The Payments to all persons contemplated in this Resolution Plan shall be the Corporate Debtor's and Resolution Applicant's full and final performance

and satisfaction of all its obligations towards any dues or outstanding against the Corporate Debtor and all remaining claims, dues, outstanding against the Corporate Debtor and all remaining claims, dues, outstanding amount shall be waived by whatever name called like interest, penal interest, compound interest, damages, other commitment charges and any other amount of whatsoever nature in terms of Regulation No.37 of the CIRP Regulations.

### **Other Reliefs and Concessions**

- a. From the relevant electricity board to give the exemption to the Corporate Debtor from making payment towards reconnection charges of power;
- b. To give the exemption to the Corporate Debtor for a period of 1 year from electricity duty from the effective date;
- c. To waive minimum demand charges on electricity for a period of 1 year from the effective date;
- d. Apart from there relief and concessions mentioned above, Government of Maharashtra may also consider providing from time to time such relief and concession of Government of Maharashtra admissible to sick units for expeditious revival of the unit.

### **11. CONDITIONS PRECEDENT:**

- A. Notwithstanding anything to the contrary contained in this Resolution Plan or any other documents including any Definitive Agreements, the Resolution Applicant agrees and confirms that there are no conditions, assumptions and/or qualifications for effectiveness of the Resolution plan by the

Resolution Applicant except where mentioned specifically, whether before approval by NCLT or thereafter until the Effective Date other than the following conditions precedent ("Conditions Precedent") for payment of the Upfront Cash:

- a) Approval of this Resolution Plan by the COC and the Hon'ble NCLT;
- b) Execution of the shareholder Agreement or any other agreement as laid out in the Resolution Plan;

## **12. OTHER RELEVANT PROVISIONS:**

### **a. Subsidiaries and Associates:**

- i) This Resolution Plan is being submitted only for the Corporate Debtor, This Resolution Plan has not considered settlement of liability, if any, of any of the Subsidiaries and Associates. On and from the Transfer Date, no liabilities of the Associates shall be related as any liability of the Corporate Debtor or the Resolution Applicant by virtue of any arrangement, of whatsoever nature.

### **b. Negotiation with the COC and Amendments:**

- i) The Resolution Applicant understands and agrees that the COC may call it for negotiation of the terms and conditions of this Resolution Plan. The Resolution Applicant reserves the rights to accept or not accept any terms or condition as may be sought by the COC, Further, the Resolution Applicant reserves the right to make necessary changes/amendments in this Resolution Plan upon such negotiation and discussion with the COC.



**c. Assumptions and Qualifications :**

- i) This Resolution Plan has been prepared on the basis of the Information Memorandum. The Resolution Applicant has prepared this Resolution Plan inter alia relying on the following assumptions:
  - a. All the claims for the entire Financial Debt of the Corporate Debtor have been duly made and submitted by all the Financial Creditors of the Corporate Debtor to the Resolution Professional and all of them are fully covered hereto are true, correct, complete, accurate and not misleading in any respect, and there are no other claims or any other Financial Debt of the Corporate Debtor apart from what is stated hereto.
  - b. All the claims of the Operational Creditors duly claimed and admitted by the Resolution Professional and approved by the COC are true, correct, complete, accurate and not misleading in any respect, and there are no other claims or any other Operational Debt of the Corporate Debtor apart from what is stated hereto.
    - a) There are no Persons including any Operational Creditors and claims who have the benefit of any 'security interest' (as defined under Section 3(31) of the Code) against the Corporate Debtor or over any of its assets or rights, other than the secured Financial Creditors and their claims thereto.
    - d) Except as set out in the Information Memorandum, all Licenses and Permissions; pre- qualifications and related licenses of the Corporate Debtor, including in relation to all its properties, utilities, facilities, establishments, undertakings, operations, are fully valid, effective and enforceable. All Licenses and Permissions of the Corporate

Debtor that have lapsed, expired, been cancelled, terminated or repossessed, have been reinstated and all non-compliances have been compounded, rectified, waived or dispensed with.

- e) After commencement of CIRP Process, the Resolution Professional has paid all the liabilities, obligations and Statutory Dues of the Corporate Debtor as applicable for the CIRP Period except to the extent it forms part of the Outstanding CIRP Cost.

1. Any change in the said information or data (including any increase in submitted claims or admitted claims) provided in the information Memorandum and the virtual data room; or any in correctness of any of the aforesaid assumptions. Shall have no adverse in part and various settlements contemplated under this Resolution Plan in discharge of all liabilities of the Corporate Debtor which are in full and final settlement of all debt, liabilities and obligations of the Corporate Debtor.

## **ii. Survival and Severability**

1. Every provision contained in this Resolution Plan shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable in any respect under any Applicable Law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

of the remaining provisions hereof shall not be

in any way affected or impaired thereby.

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

**e. Further Assurances of the Financial Creditors**

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

**f. Remedial Actions**

- i) In the event, any of the Financial Creditors or any other stakeholder or Person does not cooperate with the Resolution Applicant in implementation of this Resolution Plan, execution of the necessary documents, handing over the management, affairs and assets, books and records of the Corporate Debtor and/or with respect to any other matter required in connection with or with respect to implementation of this Resolution Plan, the Resolution

Applicant shall be entitled to make necessary application to the Hon'ble NCLT for necessary directions/order in this regard or take such other remedial actions as the Resolution Applicant may deem fit.

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

**g. Declaration for compliance with the Applicable Law**

As per the requirement of Section 30(2) (c) of the 113 C, the Resolution Applicant hereby declares that this Resolution Plan is not in contravention of the provisions of any Applicable Laws.

**h. Jurisdiction**

This Resolution Plan shall be governed, construed and interpreted in accordance with Laws of India. Respective Adjudicating Authority i.e. NCLT Mumbai, shall have exclusive jurisdiction in all matters arising thereunder.

**13.SCHEDULES**

Relevant schedules are attached herewith with this Resolution Plan which shall form part of Resolution Plan:

- a. Financial Projections.
- b. Sources of funds.

**Schedule - III**

**Management of the Company**

1. The new Board of Directors will include nominees of the Resolution Applicant and Independent Directors in compliance with the provisions of the Companies Act, 2013. The Resolution Applicants will be classified/designated as promoters.
2. The new Board will generally retain the services of the present management team and personnel to the extent' it is found commercially prudent. The Resolution Applicant retains the right to replace the key management personnel or supplement existing setup where necessary to strengthen the existing team.
3. The present organization chart may be generally retained/adopted to a large extent.

## FINDINGS

We have gone through the resolution plan which is as shown above. We have also heard all the parties concerned in detail and taken all their submissions into account and accordingly following are the observations:

1. The RP has enclosed a compliance certificate as prescribed under Regulation 39(4) of CIRP Regulations, at page 198 of the application stating that, the resolution plan of the resolution applicant provides for and is in compliance with the provisions of the Code and Regulations.
2. The Hon'ble Supreme Court in the case of "K. Sashidhar vs. Indian Overseas Bank" (2019 SCC OnLine SC 257) at para 49 of the Judgement held as below:

*i. "49. The argument, though attractive at the first blush, but if accepted, would require us to re-write the provisions of the I&B Code. It would also result in doing violence to the legislative intent of having consciously not stipulated that as a ground - to challenge the commercial wisdom of the minority (dissenting) financial creditors. Concededly, the process of resolution plan is necessitated in respect of corporate debtors in whom their financial creditors have lost hope of recovery and who have turned into non-performer or a chronic defaulter. The fact that the concerned corporate debtor was still able to carry on its business activities does not obligate the financial creditors to postpone the recovery of the debt due or to prolong their losses indefinitely. Be that as it may, the scope of enquiry and the grounds on which the decision of "approval" of the resolution plan by the CoC can be interfered with by the adjudicating authority (NCLT), has been set out in Section 31(1) read with Section 30(2) and by the appellate tribunal (NCLAT) under Section 32 read with Section 61(3) of the I&B Code. No corresponding provision has been envisaged by the legislature to empower the resolution professional, the adjudicating authority (NCLT) or for that matter the appellate authority (NCLAT), to reverse the "commercial decision" of the CoC much less of the dissenting financial creditors for not supporting the proposed resolution plan. Whereas, from the legislative history there is contra indication that the commercial or business decisions of the financial creditors are*

*not open to any judicial review by the adjudicating authority or the appellate authority.”*

3. We are of the opinion that by virtue of mandatory contents of resolution plan, the same is in accordance with Section 30 and 31 of the Code, and also complies with the requirement of the Regulations 38 and 39 of CIRP Regulations.
4. Therefore, when the provision of law and the law laid down by the Hon'ble Supreme Court is applied to the case on hand, it becomes clear that this resolution plan approved by the COC with the required majority, satisfies all the criteria required for approval of Resolution Plan and accordingly the resolution plan is approved.
5. The resolution applicant in its resolution plan, has dealt with interests of all stakeholders of the corporate debtor, including the Financial Creditors, the Operational Creditors and the CIRP cost.
6. Any relief sought for in the resolution plan, where the contract/agreement/understanding/proceedings/actions/notice etc. is not specifically identified or is for future and contingent liability, is at this moment rejected.
7. The resolution applicant, on taking control of the corporate debtor, shall ensure compliance under all applicable law for the time being in force. The resolution applicant shall obtain the necessary approval required under any law for the time being in force within one year from the date of this order or within such period as provided for in such law, whichever is later.
8. We shall clarify here that any resolution applicant shall take over the corporate debtor with all its assets and liabilities as per terms of the approved resolution plan. If any relief concerning any identified liability of the corporate debtor is required, then that needs to be specifically mentioned and sought for in the resolution plan. This bench cannot allow any general power to any resolution applicant absolving him of liability of the corporate debtor company without knowing about the liability against

which such exemption is sought. In other words, reliefs/exemptions from only existing liabilities which are specifically identified can be sought and allowed in the resolution plan.

9. On perusal of the resolution plan, we find that the resolution plan has necessary provisions for its effective implementation and it has been approved by 82% majority of the CoC.
10. Given the above observations, we approve the resolution plan with modifications, as mentioned above, which shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors, Resolution Applicant and other stakeholders involved in the resolution plan.
11. The resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the IBBI to be recorded on its database. The RP is hereby discharged of his duties after handing over the documents to the Resolution Applicant and it taking charge.
12. It is seen that the Resolution Plan seeks several Dispensations, concessions and waivers. Approval of Resolution Plan does not mean automatic Waivers. The Resolution Applicant on approval of the Plan may approach those competent authorities/courts/legal forms/office(s) Government or Semi-Government/State or Central Government for appropriate relief(s) sought in the plan.
13. The Resolution Plan is at this moment approved, subject to the submission of additional affidavit for acceptance of the modifications in the Resolution Plan and other informations as per directions above, under section 31(1) of IBC with observations above. The MA 129/2020 is accordingly allowed and disposed of.

**Sd/-**

**SHYAM BABU GAUTAM**

Member (Technical)

**Sd/-**

**H.V. SUBBA RAO**

Member (Judicial)