

Ramsarup Industries Ltd.



22 July 2021

The General Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street,
Mumbai- 400 001
BSE Scrip Code: 532690 / RAMSARUP

The Manager
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051
NSE Symbol: RAMSARUP

Dear Sirs,

Sub: Disclosure under Regulation 30 and Regulation 37(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations"); and Salient Features of the Resolution Plan and current status update on its implementation.

Ref.: Our letter dated 09 September 2019 regarding intimation of approval of resolution plan of Ramsarup Industries Limited ("RIL" or "Company" or "Corporate Debtor") under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("IBC") by the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT")

This is in reference to the captioned matter and in furtherance of our disclosure letter dated 09 September 2019, whereby the copy of the order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") on September 4, 2019 approving the resolution plan submitted by Consortium of SS Natural Resources Private Limited and Shyam SEL and Power Limited ("RA") was uploaded on the NCLT website and hence is available in public domain.

The Resolution Plan provides that any action proposed to be undertaken by the Resolution Applicant for the implementation of the Resolution Plan, will be taken by a Special Purpose Vehicle, a wholly owned subsidiary of the Resolution Applicants, as set out in the Resolution Plan.

The Resolution Plan, as approved by the Hon'ble NCLT, shall be binding on the Company and its employees, members, creditors, guarantors, contracting parties, governmental authorities and all other stakeholders who are involved in the Resolution Plan and/ or otherwise concerned or connected with the Company.

Salient Features of the Resolution Plan:

Pursuant to Regulation 30 read with Para A of Part A of Schedule III and Regulation 37 sub regulation 7 of Listing Regulations, pertaining to the approval of the Resolution Plan pursuant to Section 31 of the IBC by the Hon'ble NCLT, the salient features of the Resolution Plan are reproduced hereunder:

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Kolkata 700001**

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Phone: 4000 9100, 22421200, Fax: 91-33-2242 1888

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1. Payment to the Stakeholders:

The Resolution Plan contemplates, inter alia, payments amounting to INR 670.50 Crore to the various stakeholders including financial creditors, operational creditors, workmen and employees, other creditors, statutory dues and for infusion of capex/ working capital and additionally, payment pertaining to CIRP Cost to be done on actual basis, in accordance with the Insolvency & Bankruptcy Code, 2016 and the CIRP Regulations.

2. Conversion of Debt into Equity:

The Financial Creditors shall convert at par, the non-sustainable debt (the amount arrived by subtracting the Assigned Debt and the Upfront Amount from the admitted debts of the financial creditors into the equity shares of the Company.

3. Infusion of Funds:

The RA shall infuse the amounts payable to the financial creditors, operational creditors, workmen and employees, other creditors and for statutory dues within 30 days from the Effective Date, either by way of equity or debt or a combination of both, in order to make the requisite payments as contemplated in the Resolution Plan and to meet the capex/ working capital requirements of the Company.

4. Allotment of Shares to the Resolution Applicant:

The RA shall infuse a nominal amount of INR 5 Crore to acquire a shareholding interest in the Company. Approval of shareholders, if any for the issuance of the New Equity Shares shall be deemed to have been granted pursuant to the approval of the Resolution Plan by the Hon'ble NCLT and no separate approval shall be required to be taken.

5. Selective Capital Reduction:

As an integral part of the Resolution Plan, as Scheme of Selective Capital Reduction is entered into, which provides for the entire shareholding of the existing shareholders (Other than the New Equity Shares but including Converted Equity Shares) of the Company shall be subject to a capital reduction process and shall be reduced to nil and no consideration shall be paid for the same. The security trustee shall take all actions as may be required to be taken for extinguishment of the Converted Equity Shares.

Subsequent to the cancellation of the existing share capital, the entire share capital of the Company will be held by the Resolution Applicant. The Company being a public limited company is required to have a minimum of 7 shareholders and therefore, the Resolution Applicant along with its respective nominees shall subscribe to the New Equity Shares.

The Approval of the Resolution Plan by the Hon'ble NCLT shall be deemed to constitute compliance with all the procedural requirement in terms of Section 66 of the Companies Act 2013 and the NCLT (Procedure for Reduction of Share Capital) Rules 2016 and no separate

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compliance shall be required under the Act or other Applicable Regulations as provided under SEBI Listing Regulations.

6. Delisting of Equity Shares:

Resolution Plan contemplates that simultaneously with the selective capital reduction, the equity shares of the Company shall stand delisted.

7. Management and Control of the Company during the Implementation:

Resolution Plan contemplates that from the NCLT approval date, a monitoring agency (“MA”) comprising the Resolution Professional, two members of the Resolution Applicant and three representatives of the Financial Creditors, will be constituted and the said agency shall facilitate and supervise the implementation of the Resolution Plan during the interim period. The monitoring agency may appoint a professional agency to manage the day-to-day operations of the company.

8. Takeover of the Company:

Resolution Plan contemplates that upon the Resolution Applicant acquiring control over the Company, after selective capital reduction, the existing members of the suspended Board of Directors shall be deemed to have vacated the office and the Resolution Applicant shall reconstitute the fresh Board of Directors.

Current status update on the implementation of Approved Resolution Plan:

I would like to bring to your kind attention that the resolution plan of RIL (the features of which have been summarized hereinabove), as approved by the Hon’ble NCLT vide its order dated 04 September 2019 is pending implementation. There have been various ongoing litigations in the matter, which has delayed the implementation of the Resolution Plan, a brief of which is provided herewith–

1. On 04 September 2019, post approval of the Resolution Plan, the MA comprising representative of the lenders, RA and the erstwhile Resolution Professional was constituted to take over the management of the affairs of the Corporate Debtor and monitor the implementation of the Resolution Plan. Thereafter, the RA filed an appeal against the order of the Hon’ble NCLT approving the Resolution Plan along with various other stakeholders such as operational creditors, unsuccessful resolution applicant, promoters etc.
2. On 04 March 2021, the Hon’ble NCLAT dismissed the appeal of the RA and directed for immediate implementation of the Resolution Plan. Thereupon, an appeal was filed by the RA before the Hon’ble Supreme Court against the order of Hon’ble NCLAT. Additionally, all other appeals by the various stakeholders were also dismissed by the Hon’ble NCLAT vide orders dated 04 March 2021. The promoter and some other stakeholders including one of the financial creditor also preferred an appeal against these orders of the Hon’ble NCLAT before the Hon’ble Supreme Court.

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3. On 04 May 2021, the Hon'ble Supreme Court dismissed the RA's appeal and ordered for the implementation of the Resolution Plan. As on date, the implementation of the Resolution Plan has not been completed due to deadlock between certain lenders and the RA on certain key issues. Thereafter, applications has been filed by CFM ARC ("**lead lender**") seeking liquidation of the Corporate Debtor and demanding compensation for the delay in implementation of the Resolution Plan. The RA has also filed an application seeking co-operation of CFM ARC to implement the Resolution Plan as approved by Hon'ble NCLT, Kolkata Bench. The above-mentioned applications before Hon'ble NCLT, Kolkata Bench are listed for further hearing on 11 August 2021.

You are requested to take the above information on records and oblige.

Thanking you.

Yours truly,

Kshitiz Chhawchharia

IP Registration no. IBBI/IPA-001/IP-P00358/2017-18/10616

Erstwhile Resolution Professional

Ramsarup Industries Limited

(a company under CIRP by NCLT order dated 08 January 2018)

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