

SHREE AMBIKA SUGARS LIMITED (IN LIQUIDATION)

Registered Office: 4th Floor, Eldorado Building, 112,
Nungambakkam High Road, Chennai – 600 034.

CIN: U15421TN1988PLC015660

E-Mail ID: cirp.ambikasugars@caanurag.com **Website:** www.ambikasugars.in

NOTICE OF THE MEETING OF THE STAKEHOLDERS/CREDITORS OF SHREE AMBIKA SUGARS LTD CONVENED ON THE ORDERS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL FOR THE APPROVAL OF THE SCHEME SUBMITTED BY SNJ DISTILLERS PVT LTD

Date of Meeting	Thursday, June 01, 2023
Time of Meeting	4:00 PM
Venue & Mode of Meeting	Shall be convened electronically through Video Conferencing being managed by the Liquidator's team from Office of the Liquidator, Shri. Anurag Goel and attended by Chairman, Liquidator, Scrutinizer, Authorised Representatives & SCC members from their Respective Offices / Physical locations.

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FORM NO. CAA. 2

[Pursuant to Section 230 (3) and Rule 6 and 7 of The Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

DIVISION BENCH - II, CHENNAI.

CA (CAA)/11 (CHE)/2023 IN IBA/1017/2019

IN THE MATTER OF:

SHREE AMBIKA SUGARS LIMITED (IN LIQUIDATION)

[CIN NO : U15421TN1988PLC015660]

AND

**SECTION 230 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 READ WITH APPLICABLE PROVISIONS OF THE
INSOLVENCY AND BANKRUPTCY CODE, 2016.**

Notice is hereby given that by an Order dated the 13th Day of April, 2023, the Hon'ble National Company Law Tribunal, Chennai, Bench -II has directed a "**Stakeholders Committee Meeting**" of M/s. Shree Ambika Sugars Limited, Company Under Liquidation, hereinafter referred as "**SASL-CUL**" for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement or Compromise proposed by **M/s. SNJ Distillers Private Limited** (hereinafter referred as "**SNJDPL**") with the Stakeholders/Creditors of **SASL-CUL**.

In pursuance of the said Order and as directed therein, further Notice is hereby given that a "**Stakeholders Committee Meeting**" of **SASL-CUL** will be convened electronically (via video conferencing facility) on Thursday, 01st day of June, 2023 (01.06.2023) at 4:00 P.M at which time and place the Secured Financial Creditors (individually) and the Authorized Representatives for each class or category of Other Stakeholders as appointed are requested to attend and, if thought fit, to pass following Resolution with or without modification(s);

RESOLVED THAT pursuant to the provisions of Section 230 of the Companies Act, 2013 and Other applicable provisions of the Companies Act, 2013 read with applicable provisions of the Insolvency And Bankruptcy Code, 2016 read with Section 33 & 60 (5) of the Insolvency and Bankruptcy Code, 2016 and any other applicable Laws, Rules, Regulations, circulars and notifications issued there under, including any statutory modifications or re-enactments thereof and subject to the approval of the Hon'ble National Company Law Tribunal ["NCLT"], Chennai Bench, the consent of the Stakeholders (precisely meaning the Secured Financial Creditors individually and other class/categories namely, Unsecured Financial Creditors, Operational Creditors (Statutory authorities), Operational Creditors (Farmers), Operational Creditors (Employees and Workmen) and Operational Creditors (Other Creditors) and

shareholders each represented ONLY through a Registered Insolvency Professional, selected, nominated and appointed to act as their Authorized Representative and as approved by the Hon'ble NCLT) be and is hereby accorded to the Scheme of Arrangement or Compromise proposed by M/s. SNJ Distillers Private Limited (SNJ) with the aforementioned Stakeholders/Creditors of M/s. Shree Ambika Sugars Limited, Company Under Liquidation placed before this Stakeholders Committee Meeting and initiated by the Chairman of the Meeting for the purpose of Identification, be and is hereby approved.

RESOLVED FURTHER THAT Shri. Anurag Goel, the Liquidator of SASL be and is hereby authorized to do all such acts, deeds, matters and things, as it may in his absolute discretion deem necessary, fit, appropriate or requisite to give effect to the aforesaid Resolution and effectively implement the Arrangement/ Compromise as embodied in the Scheme proposed by SNJDPL and to accept such modifications, amendments, limitations and/ or conditions, if any, which may be required and/ or imposed by the Hon'ble NCLT while approving/ sanctioning the Scheme or by any other Authorities under Law, as may be required for the purpose of resolving any questions or doubts or difficulties that may arise during the course of approval and implementation of the said Scheme.

RESOLVED FURTHER THAT all the Secured Financial Creditors of SASL-CUL individually and other class/ categories of stakeholders/creditors namely Unsecured Financial Creditors, Operational Creditors (Statutory authorities), Operational Creditors (Farmers), Operational Creditors (Employees and Workmen) and Operational Creditors (Other Creditors) and shareholders each represented ONLY THROUGH a Registered Insolvency Professional, selected, nominated and appointed to act as their Authorized Representative may vote in the Meeting on 01-06-2023 or through E-Voting facility for which the poll shall commence on 02-06-2023 (11.00 A.M.) and shall remain open till 05-06-2023 (12.00 P.M).

Copies of the said Scheme of Compromise or Arrangement proposed by SNJDPL with the Stakeholders/Creditors of SASL-CUL and the statement under scheme of section 230 can be obtained free of charge at the Chennai office of the Corporate Debtor managed by Liquidator, Shri Anurag Goel, at ELDORADO, 4th Floor, Nungambakkam High Road, Chennai – 600034 or Liquidator's Office Plot No 6, First Floor, State Bank Nagar, Outer Ring Road, Paschim Vihar, New Delhi – 110063 or at office of respective Authorised Representative at their respective offices by the person entitled to allow and vote at meeting including proxies, provided that all proxies will deposit duly signed proxy form at Chennai office of the Liquidator not later than 48 hours before meeting, or otherwise electronically through submitting request on cirp.ambikasugars@caanurag.com. The Form of Proxy is enclosed with this notice.

The Hon'ble National Company Law Tribunal has appointed **Shri. V. Nallasenapathy** as the Chairman of the Stakeholders Committee Meeting of SASL - CUL and failing him, **Shri. Anurag Goel**, Liquidator of SASL-CUL shall chair the meeting. The Scheme of Arrangement, if approved at the Meeting will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Chennai, Division Bench-II.

Sd/-

Dated: 30.04.2023

V. Nallasenapathy

Place: Chennai

Chairman appointed for the Meeting

ENCLOSURES:

1. Explanatory Statements as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent relevant & applicable.
2. Synopsis of the Scheme of Compromise or Arrangement as provided by the Scheme proponent, M/s. SNJ Distillers Private Limited.

NOTES:

1. The Link for the Meeting to be held on 01-06-2023 (proposed to be held through Video Conferencing) shall be provided at least 48 hours before the commencement of the meeting. The Link shall be provided to the all the Secured Financial Creditors and to the Authorised Representatives for all other classes of stakeholders.
2. The facility for E-Voting shall be provided via a Secured and Approved E-Voting Platform and the Poll shall commence from Friday, the 02nd day of June, 2023 (02-06-2023) at 11:00 A.M and shall remain open till 03.00 P.M., Monday, the 05th day of June, 2023 (05-06-2023). It would be duly communicated to all those who are entitled to vote individually or by their Authorised Representatives.
3. The Resolutions as proposed in the Notice calling for the Meeting together with a copy of the Scheme shall be made available in the aforesaid E-Voting Platform for the convenience of all the Participants (with voting rights).
4. The link to exercise their vote shall be sent to the last known electronic mail addresses of all the Secured Financial Creditors and to the Registered Insolvency Professionals as approved by the Hon'ble NCLT as Authorised Representatives to represent the class/categories of stakeholders at least 48 hours before the commencement of the Poll.

EXPLANATORY STATEMENT TO THE NOTICE CALLING FOR THE STAKEHOLDERS COMMITTEE MEETING OF SHREE AMBIKA SUGARS LIMITED (IN LIQUIDATION) PURSUANT TO RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016, TO THE EXTENT RELEVANT & APPLICABLE:

I. Details of the Order of the Tribunal directing the Calling, Convening and Conducting of the Meeting

(a) Date of the Order	13 th April 2023
(b) Date, time & venue of the meeting.	01 st June, 2023 at 4.00 P.M, electronically through video conferencing

II. Details of the company:

a) Corporate Identification Number	U15421TN1988PLC015660
b) Permanent Account Number	AABCS5163J
c) Name of the Company	SHREE AMBIKA SUGARS LIMITED
d) Date of Incorporation	29th April 1988
e) Type of the Company (whether public or private or one-person company)	Closely Held Public Limited Company
f) Registered office address and e- mail address	Eldorado, 4th Floor, 112, Nungambakkam High Road Chennai, Tamil Nadu – 600 034 Email ID: cirp.ambikasugars@caanurag.com
g) Summary of main object as per the Memorandum of Association and main business carried on by the company	<ul style="list-style-type: none"> • To Carry on the business as Manufactures, Producers, Sellers, distributors, Stockists, and trader of Sugar and its derivative, molasses, bagasse and all material and substances arising by products and waste Products out of and in the course of Manufacture of Sugar. • To Carry on the business of Manufactures, Producers, brewers, blenders, distillers, dealers, stockists and traders of rectified Spirit, Ethyl, Alcohol, Liquors, and all products made therefrom. • To carry on the business of processing, refining, converting, preparing, producing, manufacturing, formulating, buying, trading, selling, importing,

	<p>exporting and disposing of or otherwise deal in all types of chemicals, organic or inorganic, chemical elements, compounds, plastics, petrochemicals and synthetic fibres.</p> <ul style="list-style-type: none"> • To carry on the business as manufacturers, producers, packers, dealers, stockists and traders of bulk drugs, Pharmaceuticals and other Biological preparations. • To carry on the business of hire purchase financing, leasing and the business of investment company in all its branches. 																							
h) Details of change of name, registered office and objects of the company during the last five years	NIL																							
i) Name of the stock exchange (s) where securities of the company are listed, if applicable	NIL																							
j) Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital.	<table border="1"> <thead> <tr> <th data-bbox="671 1198 948 1301">Particulars</th> <th data-bbox="948 1198 1134 1301">No. of Securities</th> <th data-bbox="1134 1198 1353 1301">Amount in INR</th> </tr> </thead> <tbody> <tr> <td data-bbox="671 1301 948 1469">Authorised Capital of Rs. 10/- each</td> <td data-bbox="948 1301 1134 1469"></td> <td data-bbox="1134 1301 1353 1469"></td> </tr> <tr> <td data-bbox="671 1469 948 1525">Equity Shares</td> <td data-bbox="948 1469 1134 1525">9,30,00,000</td> <td data-bbox="1134 1469 1353 1525">93,00,00,000</td> </tr> <tr> <td data-bbox="671 1525 948 1581">Preference Shares</td> <td data-bbox="948 1525 1134 1581">25,00,000</td> <td data-bbox="1134 1525 1353 1581">25,00,00,000</td> </tr> <tr> <td data-bbox="671 1581 948 1850">Subscribed Issued Capital & Paid of Rs. 10/- each up capital.</td> <td data-bbox="948 1581 1134 1850"></td> <td data-bbox="1134 1581 1353 1850"></td> </tr> <tr> <td data-bbox="671 1850 948 1906">Equity Shares</td> <td data-bbox="948 1850 1134 1906">4,85,05,260</td> <td data-bbox="1134 1850 1353 1906">48,50,52,600</td> </tr> <tr> <td data-bbox="671 1906 948 1937">Preference Shares</td> <td data-bbox="948 1906 1134 1937">NIL</td> <td data-bbox="1134 1906 1353 1937">NIL</td> </tr> </tbody> </table>			Particulars	No. of Securities	Amount in INR	Authorised Capital of Rs. 10/- each			Equity Shares	9,30,00,000	93,00,00,000	Preference Shares	25,00,000	25,00,00,000	Subscribed Issued Capital & Paid of Rs. 10/- each up capital.			Equity Shares	4,85,05,260	48,50,52,600	Preference Shares	NIL	NIL
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k) Names of the promoters and directors along with their addresses.	<p>As on date, the Company is undergoing Liquidation Proceedings and its affairs are managed by the Liquidator, Shri. Anurag Goel appointed by the Hon'ble NCLT, Chennai Bench, vide Order dated 20th June, 2022.</p> <p>Address of the Liquidator: Plot No 6, First Floor, State Bank Nagar, Outer Ring Road, Paschim Vihar, New Delhi – 110063.</p>
III. Parties involved in the Compromise or Arrangement	The Scheme of Compromise or Arrangement has been proposed by M/s. SNJ Distillers Private Limited with the Stakeholders/Creditors of SASL
<p>IV. The Synopsis of this Scheme of Compromise or Arrangement proposed by SNJDPL is also circulated together with the Notice & Explanatory Statements. The entire copy of the Scheme can be sought for from the office of the Liquidator Shri. Anurag Goel via electronic mail in the addresses as mentioned below:</p> <p><u>cirp.ambikasugars@caanurag.com</u></p>	

3. EXPLANATORY STATEMENT DISCLOSING DETAILS OF THE SCHEME OF COMPROMISE OR ARRANGEMENT

SYNOPSIS / SALIENT FEATURES OF THE SCHEME OF COMPROMISE OR ARRANGEMENT AS SUBMITTED BY THE SCHEME PROPONENT, M/S. SNJ DISTILLERS PRIVATE LIMITED.

The Scheme is made and presented under Sections 230 to 232 of the Companies Act, 2013 read with relevant provisions of the IBC, Code 2016 and Regulations thereto.

A. BACKGROUND OF THE SCHEME PROPONENT:

This Scheme of Compromise or arrangement is being submitted by the Proponent, M/s. SNJ Distillers Pvt. Ltd. (SNJ). The Proponent Resolution Applicant is part of “SNJ Group” which is engaged in business of trading, distribution and manufacturing of Indian Manufactured Foreign Liquor (IMFL) and Beer. The Resolution Applicant was incorporated on 17.04.2008.

B. FINANCIAL OUTLAY:

(Figure in Rs /lakhs)

Class of Creditor	Admitted Claim (With in Time Limit of Liquidation Order i.e. 19.08.2022)	Admitted Claim (Revised as per IBC amendment dated 16.09.2022)	Proposed Amount in Scheme	Proposed in %age (Rounded off to 2 Decimals against Revised Claims)
Secured FC	137,203.97	138,225.27	13,000.40	9.41%
Unsecured FC	13,251.86	16,510.73	662.59	4.01%
Sugar Cane Farmers	3,676.87	3,676.87	2,943.67	80.06%
Suppliers Dues	395.44	977.79	19.77	2.02%
EPFO Statutory Dues	423.49	423.49	423.49	100.00%
Statutory Dues other than EPFO Dues*	1,905.45	2,044.28	43.09	2.11%
Workmen Dues	775.17	809.40	73.49	9.08%
Employee Dues	215.78	233.65	10.79	4.62%
Insolvency Resolution Process cost (CIRP) on priority	630.38	630.38	630.38	100.00%
Liquidation Process cost (on priority)	198.31	198.31	198.31	100.00%

***Notes:**

- The Statutory Dues other than EPFO Dues have been considered excluding the amount of Rs. 7,006.43 Lakhs claimed by the Customs Department claiming lien on the raw Sugar Stocks, which is presently under Dispute.*
- Some of the claims are subject to the approval/modification as directed by the Hon’ble National Company Law Tribunal.*

C. SOURCES OF FUNDS

Plan Outlay – post NCLT order confirming the proposed scheme of arrangement	Rs in Lakhs
Total Settlement amount by the new acquirer (Including CIRP Cost & Estimated Liquidation Cost)	18,006.00
Further Investment & Working Capital	As per requirement
Total Financial Outlay for Settlement to Creditors	18,006.00
Sources	
Equity/Unsecured Loans from Group Companies (For Acquisition)	8,006.00
Term Loan from Banks / Institutions (For Acquisition)	10,000.00
Loan from Banks / Institutions or through Equity/Unsecured Loans from Group Companies (for Working Capital)	As per requirement
Total Sources	18,006.00

***Notes:**

- a) *All proposal shall be read with terms of Scheme.*
- b) *The Proposer has estimated an expense of approx. 75-80 Crores for Fresh Capex & Renovation, which is proposed to be met from Sanctioned facilities from Banks / Financial Institutions.*
- c) *The Proposer has excluded certain assets which are Not Readily Saleable & Proposer of the Scheme has not shown his interest on taking them over. The details of the same are given below.*

EXCLUSIONS FROM THE SCHEME

Certain Assets have been identified by the Liquidator which are Not Readily Saleable & Realisable , Proposer of the Scheme has not shown it's interest on taking them over. Hence it is agreed that following assets have been identified and have been Excluded from the ambit of the proposed Scheme:

1. Outcome of Arbitration Proceedings in Arbitration Courts of United Kingdom (Pending reimbursement of cost of arbitration in terms of award) under Arbitration award No. 235 dated 10th October 2019 in respect of Contract No 1759S dated 21 August 2009 as subsequently amended on 12 October 2009 ("the Contract").
2. Outcome of Litigation Proceedings in Appellate Tribunal for Electricity (APTEL) Court in New Delhi against PTC India Ltd under case No. DFR No. 9 & 74 of 2022 against order dated 05.10.2021 in case no. DRP 15 & 16 of 2011 in respect of claim of Rs. 7,53,88,371/- and interest thereon.
3. Outcome of Dispute on Raw/Processed Sugar of approx 19,500 MT (under Lien with Customs and ownership in dispute) lying in Custom Bonded Warehouse in the premises of the Kottur & Pennadam Units of Shree Ambika Sugars Ltd (Corporate Debtor) imported under Bill of Entries as listed in Seizure Notice by DRI dated 29.08.2019, Presently under Litigation in High Court of Madras.
4. In addition to above three identified assets, if any recoveries are made under in pursuance to PUFEE application, which is pending before the Hon'ble Adjudicating Authority, than the same shall also be for the benefit of the Creditors of the CD. The same is in line with your proposal and also as per provisions of IBC 2016.

The Net realisation from above assets will further enhance the value for the Stakeholders. The realisation from above assets is proposed to be distributed amongst Stakeholders as per provisions of Section 53 of the Code. It is noted that realisation and recovery efforts shall be made through constitution of 'Trust' by secured Financial Creditors. It is also proposed that CA Anurag Goel (Liquidator), will be 'Trustee and custodian' of the same.

D. PAYMENT SCHEDULE

S. No.	Liability	0 – 30 Days	31 – 60 Days	61 – 90 Days	91 – 120 Days
1.	Liquidation Cost (Subject to Actuals)	198.31			
2.	CIRP Costs	630.38			
3.	Financial Creditors	2,000.00	3,754.39	3,754.39	3,491.62
4.	Unsecured Financial Creditors	331.30	331.30	-	-
5.	Farmers for Cane Dues	2,943.67	-	-	-
6A.	Operational Creditors	19.77	-	-	-
6B.	Statutory dues EPFO	423.50	-	-	-
7.	Statutory dues other than EPFO	43.09	-	-	-
8.	Workers	73.49	-	-	-
9.	Employees	10.79	-	-	-
10.	Other Creditors	-	-	-	-
	TOTAL	6,674.30	4,085.69	3,754.39	3,491.62

Note*

Further to above, in case the CIRP/ liquidation costs have been met from the liquid assets of the Corporate Debtor, the excess monies available on account of such CIRP/ Liquidation Costs shall be distributed amongst the Secured Financial Creditors of the Corporate Debtor. In other words, if say a sum of Rs. 1 crore has been realised from the liquid assets of the Corporate Debtor, which sum has been used towards liquidation expenses, in such a case, Rs. 1 crore which remains in excess on the monies due under CIRP/ Liquidation Costs, shall be distributed amongst the Secured Financial Creditors.

RELIEFS AND CONCESSIONS SOUGHT IN THE SCHEME

(Extract from the Scheme)

- i. All Governmental authorities to waive the non-compliances of the Company prior to the date of approval of the Scheme by the Hon'ble Adjudicating Authority. The relevant governmental authorities shall also not initiate any investigations, actions or proceedings in relation to any non-compliance with applicable law by the Company during the period prior to the date of approval of the Scheme by the Hon'ble Adjudicating Authority. Neither shall be Proposer, nor the Company, nor their respective directors, officers and employees appointed on and as of the date of approval of the Scheme by the Hon'ble Adjudicating Authority, be liable for any violations, liabilities, penalties or fines with respect to or pursuant to the Company not having in place the requisite licenses and approvals required to undertake its business as per applicable law, or any non-compliances of applicable law by the Company. Further, the relevant governmental authorities will provide a reasonable period of time after the Effective Date, for the Proposer to assess the status of any non-compliances under the applicable law and to procure that the company regularizes such non compliances under the applicable law existing prior to the date of approval of the Scheme by the Hon'ble Adjudicating Authority.
- ii. If certain Business permits (including but not limited to permission for supply of water, electricity, operation of lifts) of the Company which would be required for the Company to operate as a going concern have lapsed, expired, suspended, cancelled, revoked or terminated or the Company has non compliances in relation thereto. Accordingly, all governmental authorities to provide reasonable time period after the Effective Date in order for the Proposer to assess the status of these business permits and ensure that the Company is compliant with the terms of such business permits and applicable law without initiating any investigations, penalty, actions or proceedings in relation to such non compliances. Further the Govt. authorities shall enable and permit the proposer / corporate debtor to renew and revive any permission, license that may be necessary for revival of the corporate debtor.
- iii. The Central Board of Direct Taxes to consider the Company as a closely held company for the purposes of section 79 read with section 2 (18) of the Income Tax Act, 1961 and the change in shareholding of the Company pursuant to the plan to not lead to lapse of brought forward losses of the Company.
- iv. Under section 115JB of the Income Tax Act, 1961, assessee company for which a rehabilitation scheme was approved or reference was made under the provisions of the erstwhile SICA was not subject to minimum alternate tax until the net worth becomes positive. Similar benefit to be extended to a

scheme of compromise approved in accordance with the code and CIRP regulations since the code supersedes all other applicable law and deals with the same subject matter as the erstwhile SICA. Consequently, the Central Board of direct Taxes shall not subject income or gain or profits, if any, arising as a result of giving effect to the plan to tax including minimum alternate tax in the hands of Company.

- v. All Governmental authorities to grant any relief, concession or dispensation as may be required for implementation of the transactions contemplated under the plan in accordance with its terms and conditions.
- vi. The Corporate Debtor, the proposer and its nominees shall not be liable for any taxes on account of the allotment of shares in their favour under the scheme of compromise and arrangement, more particularly on the basis of any “deemed profit” having been made by the proposer under the tenets of section 56 of the Income Tax Act, 1961.
- vii. All assets (including properties, whether freehold, leasehold or license basis) of the Company to be vested in the restructured Company free and clear of all encumbrances on successful implementation of the scheme of compromise.
- viii. The Proposer shall be allowed to terminate / renegotiate material contracts including but not limited to agency agreements entered by the Company before the insolvency commencement date without any penalty or interest at its own discretion.
- ix. The CBDT shall grant exemption/waiver from: (a) treating any transaction contemplated in this plan as being void or non-compliant with any provisions of the Income-tax Act, 1961; and (b) all Tax Liabilities (including interest and penalty) and tax proceedings arising in respect of periods up to the Effective Date, including such liabilities/proceedings for periods up to the Effective Date in respect of on-going or potential income tax litigations at all levels.
- x. All designated authorised dealer category I Banks/RBI to approve or dispense such actions as may be required for actions contemplated under the plan in accordance with its terms and conditions.

- xi. All creditors of the Company to withdraw all legal proceedings commenced against the Company in relation to claims, including without limitation all criminal proceedings, proceedings under section 138 of the Negotiable Instruments Act, 1881 and proceedings under SARFAESI and RDDBFI not undertake or omit to take any action which precipitates the proceedings against the Company.

- xii. Notwithstanding anything hereinabove, i.e. in this section of Reliefs and Concessions, the Proposer herein clarifies that it shall not withdraw the Scheme for the non-approval of any of the Reliefs and Concessions claimed by it, as such reliefs and concessions are solely within the jurisdiction of the Hon'ble Adjudicating Authority to decide, as per the tenets of the Companies Act, 2013 r/w the Insolvency and Bankruptcy Code, 2016.

RATIONALE AND BENEFITS OF THE SCHEME OF ARRANGEMENT OR COMPROMISE

Liquidation of the Company would have the following impact:

- Loss of future employment options for nearby residents of the area.
- Loss of creative value potential of the assets and opportunity of future economic value .
- Loss of protentional economic value of productive plant and machinery.
- Permanent loss of livelihood of Farmers, employees, workmen, transporters etc.
- Negligible value to be received when plants get sold as scrap for stakeholders.
- Loss of Revenue to exchequer in terms of GST, Income tax ,Customs Duty, etc.
- Liquidation of the Company will be against the spirit of IBC 2016.

Whereas the present Scheme, upon its approval and implementation will have the following benefits for all the stakeholders:

Creditors especially Farmers:

- As per Section 53 of the IBC, 2016, the Farmers being Operational Creditors may not get any amount on distribution. However, considering the fact that their role is most crucial for carrying out the business operations of the CD, their retention is highly desirable & vital, thereby resulting in a reasonable amount of proposed settlement to them. The predominant reason for consideration of the scheme is on taking into account the plight of the farmers. The scheme provides for approx. 80.06% of the amounts admitted as Farmer's dues as against no recovery which is possible during Liquidation. Almost around 9,000 farmers would be directly benefitted with the Scheme.
- In case of this scheme under Section 230 – 232 of the Companies Act, 2013, all the class of stakeholders has been proposed a reasonable amount. Whereas no creditor other than Secured Financial Creditors and Workmen may get anything as per Section 53 of IBC, 2016, if an auction sale / piecemeal sale is proposed during Liquidation.
- The value of the scheme is greater than Ex-Situ Liquidation Value of the Corporate Debtor, thus aggregate realizations under the Scheme would be greater than the expected recovery under Liquidation. Further revival of corporate Debtor helps in generating more economic value for stakeholders/ villagers/ societies. As such realisable value shall be greater than value in absolute term.

- The Scheme proposes all payment to be completed in 120 Days from the date of approval by Hon'ble NCLT wherein all Operational Creditors and Unsecured Financial Creditors shall be paid out within 60 Days of approval. The high degree of certainty coupled with short timeline of repayment as defined in the Scheme shall give immediate resolution to all Stakeholders, which is totally uncertain in case of Liquidation.
- The financial loss to creditors (other than Secured FCs) will be substantial as negligible value will be recovered by them when assets are sold (mostly as Scrap and in piecemeal) under the liquidation process vis-à-vis quick & one go recovery proposed in the Scheme. Further, land when sold on piecemeal basis may not fetch the expected value and mostly will be hovering around guideline value only.

BENEFITS WITH REVIVAL OF COMPANY'S OPERATIONS

- The realizable value of the assets will enhance as scheme proponent will be investing for upgradation of Plant & Machinery and making it at par with current technology available in the market.
- Company will be continuing as going concern. This will help the Stakeholders to derive more benefits in terms of continuing business.
- Company operations will be revived and shall also make industry upturn and will also resolve the Company specific issues.
- Revival of the Company will increase the economic value of productive plant and machinery and at the same time will generate future employment for nearby residents also.
- The potential economic value of productive plant and machinery will be safeguarded.
- The Govt will also get continuous revenue from GST, Customs Duty, Income tax, etc.

4. EFFECT OF THE COMPROMISE OR ARRANGEMENT:

EFFECT ON THE PROMOTERS/DIRECTORS/KEY MANAGERIAL PERSONS/RELATIVES:

A. DIRECTORS, KEY MANAGERIAL PERSONNEL AND THEIR RELATIVES

Since SASL is under Liquidation, the Directors and other KMP of the Company are discharged with effect from the date of Liquidation Order. Nevertheless the ex-directors/promoters/KMP of SASL do not have any material interest, concern or any other interest in the Scheme of Arrangement.

B. PROMOTER AND NON-PROMOTER MEMBERS/SHAREHOLDERS

The corporate debtor has a total authorized equity share capital of 118.00 Crores divided in to 9,30,00,000 Equity Shares of Face Value of Rs 10/- each and 25,00,000 Preference Shares of Face Value of Rs 100/- each.

The Company has paid-up share capital of 4,85,05,260 Equity shares each with a face value of Rs 10/-. On Approval of the Resolution Plan/Scheme of Compromise or arrangement, all securities held in the Corporate Debtor, whether convertible or exchangeable into equity shares and all rights to subscribe to equity shares including convertible debentures, convertible preference shares, convertible loans (whether compulsorily or partially convertible or not), warrants, subscription rights under the shareholders agreement, shall stand irrevocably and unconditionally abated, settled and extinguished for nil consideration. New shares constituting 100% of the paid-up share capital of the Corporate Debtor shall be allotted in favour of the Proposer and its nominees, as set out in this Scheme, after the payment of the first tranche under this Scheme.

The shares, debentures or any other security held in the Corporate Debtor by any person shall be extinguished upon the approval of the Scheme with no claim or liability to the Corporate Debtor/ Resolution Applicant. All the permissions, required from existing shareholders, erstwhile directors, creditors and any other stakeholders of the Corporate Debtor, required for this purpose, shall be deemed to have been obtained in this regard

All claims of any person against the Corporate Debtor, in each case, which are not due as of the insolvency commencement date but relate to the period prior to the Effective Date, shall immediately, irrevocably and unconditionally stand extinguished, waived, withdrawn and abated in perpetuity on and with effect from the Effective Date, and no person shall have any further rights or claims against the corporate debtor /Proposer in this regard.

No liability whatsoever, emanating or arising out of or in connection with any subsidiary or group company of the Corporate Debtor shall fall upon the Proposer or the Corporate Debtor, with effect from the Effective Date.

All liabilities (whether contingent or crystallized or disputed) in relation to any Corporate guarantees, indemnities and all other forms of the credit support provided by the Corporate Debtor prior to the Effective Date shall stand irrevocably and unconditionally abated, settled and extinguished and discharged with effect from Effective Date.

However, the same shall not prejudice the right of the Corporate Debtor to recover any amount due to the Corporate Debtor from any of the promoters/directors/ shareholders/ their related parties. There shall be no liability on the Corporate Debtor, by virtue of any Corporate Guarantee issued in the past by the Corporate Debtor to anyone including its past or present Subsidiary/Group/Associate Companies.

The Financial Creditors are free to proceed against the Corporate guarantors and personal guarantors to the Corporate Debtor, as they stood prior to the approval of the Scheme. Such guarantors shall not have any right of subrogation or any right to seek repayment from the Corporate Debtor or the Proposer. The Corporate Debtor or Proposer shall not be liable in any manner whatsoever, for any corporate guarantees given by the Corporate Debtor prior to the approval of the Scheme. All Corporate Guarantees given by the Corporate Debtor shall stand extinguished and waived upon the approval of the Scheme.

EFFECT / IMPACT ON THE STAKEHOLDERS / CREDITORS OF THE COMPANY

Note: In case any further claims are admitted by the Liquidator/Tribunal, the settlement amount receivable by the stakeholders/creditors, within such class of stakeholders/creditors, shall be proportionately reduced and the same shall not alter or modify the amount payable to other class of Creditors.

A. Secured Financial Creditors:

There are 10 Secured Financial Creditors whose total admitted claims is to the tune of Rs. 1,38,225.27 Lakhs. Towards the admitted claim of Rs. 1,38,225.27 lakhs an amount of Rs. 13,000.40 lakhs, with a provision of 9.41 % as full and final settlement of their entire dues, shall be paid towards Secured Financial Creditors Debt on pro-rata basis.

B. Unsecured Financial Creditors:

There are 8 Unsecured Financial Creditors whose total admitted claims is to the tune of Rs. 16,510.73 lakhs. Towards the admitted claims of Rs. 16,510.73 lakhs, an amount of Rs. 662.59 lakhs, with a provision of 4.01 % as full and final settlement of their entire dues, shall be paid towards Unsecured Financial Creditors Debt on pro-rata basis.

C. Operational Creditors – Sugar Cane Farmers:

There are around 8,655 (approx.) Farmers whose total admitted claims is to the tune of Rs. 3,676.87 lakhs. Towards the total admitted claims of Rs. 3,676.87 lakhs, an amount of Rs. 2,943.67 lakhs, with a provision of 80.06% as full and final settlement of their entire dues, shall be paid towards Cane Farmers dues on pro-rata basis.

D. Operational Creditors – Suppliers Dues:

There are around approximately 280 Suppliers (Operational Creditors) whose total admitted claims is to the tune of Rs 977.79 lakhs. Towards the total admitted claims of Rs 977.79 lakhs, an amount of Rs. 19.77 lakhs, with a provision of 2.02 % as full and final settlement of their entire dues, shall be paid towards Suppliers Debt on pro-rata basis.

E. Operational Creditors – EPFO Statutory Dues:

Two (2) claims from EPFO was received to the tune of Rs. 423.49 lakhs which was admitted in full. Since the PF Dues are scoped out of the Liquidation estate and are to be paid in priority over other dues, out of the total admitted claims of Rs. 423.49 lakhs, the full amount of Rs. 423.49 lakhs, with a provision of 100 % shall be paid towards EPFO Dues.

F. Operational Creditors – Statutory Dues other than EPFO Dues:

There are Seven (7) Claims received from Statutory Dues other than EPFO Dues (Operational Creditors) whose total admitted claims is to the tune of Rs. 9,050.71 lakhs (including claim of Rs 7,006.43 Lakhs from Customs Department on Disputed Sugar). Towards the total admitted claims of Rs. 2,044.28 Lakhs (Total 9,050.71 lakhs including Customs Dept Claims), an amount of Rs. 43.09 lakhs, with a provision of 2.11 % as full and final settlement of their entire dues, shall be paid towards Statutory dues – other than EPFO dues on pro-rata basis (Except to Customs Department, which is out of preview of the Scheme).

G. Operational Creditors – Workmen Dues:

Based on the Books of Accounts of the Corporate Debtor, the Liquidator had admitted the dues of around 467 Workmen (approx.) to the tune of Rs. 809.40 lakhs. Towards the total admitted amount of Rs. 809.40 lakhs, an amount of Rs.73.49 lakhs, with a provision of 9.08 % as full and final settlement of their entire dues, shall be paid towards Workmen dues on pro-rata basis, which is at par with proposal made for Secured Financial Creditors.

H. Operational Creditors – Employee Dues:

Based on the Books of Accounts of the Corporate Debtor, the Liquidator had admitted the dues of around 93 Employees (approx.) to the tune of Rs. 233.65 lakhs. Towards the total admitted amount of Rs. 233.65 lakhs, an amount of Rs. 10.79 lakhs, with a provision of 4.62 % as full and final settlement of their entire dues, shall be paid towards Employee dues on pro-rata basis.

I. Operational Creditors – Other Creditors Dues

Two claims were received from M/s Thiru Arooran Sugars Limited falling under the category of Operational Creditors (Others) and part of the same were admitted by Liquidator. First claim was made against the payment to Financial Creditors towards Corporate Guarantee Claims by them in TASL CIRP/Liquidation Process for Rs. 1894.60 and the same was not admitted by the Liquidator on that date. The Second claim admitted was of Equity Shareholder for Rs. 1,753.20 lakhs. Towards the total admitted claims of Rs. 1,753.20 lakhs, an amount of Rs. NIL has been proposed by the Scheme proponent.

5. SUMMARY OF VALUATION OF THE CORPORATE DEBTOR DONE IN OCTOBER-DECEMBER 2022:

Value in Crores.

Asset Description	Average Liquidation Value (In – Situ)	Average Liquidation Value (Ex – Situ)
Land & Building	66.47	61.46
Total (A)	66.47	61.46

Value in Crores.

Asset Description	Average Liquidation Value (In – Situ)	Average Liquidation Value (Ex – Situ)
Plant & Machinery	135.97	110.00
Total (B)	135.97	110.00

Value in Crores.

Asset Description	Average Liquidation Value (In – Situ)	Average Liquidation Value (Ex – Situ)
Securities/ Financial Assets	0.57	0.57
Total (C)	0.57	0.57

Total (A+B+C)	203.01	172.02
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6. PENDENCY OF INVESTIGATION PROCEEDINGS:

No investigation proceedings have been instituted or are pending in relation to the Applicant Company under the Companies Act, 2013 or Companies Act, 1956.

7. AVAILABILITY OF DOCUMENTS FOR INSPECTION:

The following documents will be open for inspection by the stakeholders at the office of the Liquidator situated at Plot No 6, First Floor, State Bank Nagar, Outer Ring Road, Paschim Vihar, New Delhi – 110063 as well as Chennai office of the Corporate Debtor managed by Liquidator, Shri Anurag Goel, at ELDORADO, 4th Floor, Nungambakkam High Road, Chennai – 600034 on all working days except Saturdays and Sundays between 11 a.m. IST and 1 p.m. IST up to the date of the ensuing Meeting and at the Meeting during the Meeting hours:

- (a) Last audited financial statements of the company.
- (b) Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with;
- (c) Copy of scheme of compromise or arrangement;
- (d) Valuation Reports obtained from Registered Valuers.
- (e) Contracts or agreements, if any, material to the compromise or arrangement;
- (f) Such other information or documents as the Liquidator believes necessary and relevant for making decision for or against the scheme.

Enclosed : Proxy Form

PROXY FORM

Annexure – A

I _____, Son / Daughter / Authorised Signatory of _____
_____, hereby authorize Mr/Mrs _____,
_____ (Designation) having Aadhar No. _____ and PAN
No. _____ to attend, Participate, Vote and ratify the agenda and other issues which will be
deliberated upon and decided in the Seventh Stakeholder Consultation Committee Meeting of Shree Ambika
Sugars Limited, on behalf of _____.

The meeting is scheduled on Thursday, 01st day of June 2023 at 04.00 PM and to be convened electronically
through Video Conferencing being managed by the Liquidator’s team from Office of the Liquidator, Shri.
Anurag Goel and attended by Chairman, Liquidator, Scrutinizer, Authorised Representatives & SCC members
from their Respective Offices / Physical locations.

Signature
Name of Creditors
Designation of Creditor

Signature of Authorised Representative
Name:
Designation

Dated:
Place: