

SCHEME OF COMPROMISE AND ARRANGEMENT

**OF
SHREE AMBIKA SUGARS LIMITED**

**WITH
ITS CREDITORS AND SHAREHOLDERS**

(Under Section 230 of The Companies Act, 2013 read with Applicable provisions of the rules made there under Companies Act 2013 in line with Section 33 Of The Insolvency And Bankruptcy Code 2016 and Regulation 2B of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016)

Proposed By



**SNJ DISTILLERS PRIVATE LIMITED
72, Greams Road, Thousand Lights, Chennai -600 006**



I. PREAMBLE

This Scheme of Arrangement and Compromise is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with applicable Rules made thereunder for compromise with its creditors and for a scheme of arrangement for extinguishing the rights of existing shareholders and for issue of fresh paid up capital, in favour of the Proposer of this Scheme, presented under section 230 of the Companies Act, 2013 r/w Regulation 2B of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

II. BACKGROUND OF THE COMPANY

- i. Shree Ambika Sugars Limited (SASL) is a Public Limited company promoted by M/s. Thiru Arooran Sugars Limited and incorporated on 29 April, 1988. It is classified as a Non-govt company and is registered at Registrar of Companies, Chennai. Its authorized share capital is INR 118.00 cr and the total paid-up capital is INR 48.51 cr.
- ii. SASL has two Integrated Sugar units with aggregate crushing capacity of 11500 TCD, Two Power Cogeneration Units with aggregate installed capacity of 56 MW, one refinery with an installed capacity of 750 TPD and one Distillery with an installed capacity of 60 kiloliters per day.
- iii. Shree Ambika Sugars Limited has four directors - Gopalan Venkata Raman, Malathi Ram, Venkatachalam Tirupathi, R.V. Thiagarajan and Thyagarajan Kumaran
- iv. The Corporate Identification Number (CIN) of Shree Ambika Sugars Limited is U15421TN1988PLC015660. The registered office of Shree Ambika Sugars Limited is at Eldorado 5th Floor 112 Nungambakkam High Road, Madras 34 Akkam High Road Madras 34, Akkam High Road Madras 34, Tamil Nadu.



IV RATIONALE FOR THE SCHEME

The Scheme of Arrangement and Compromise proposed by the Proposer to the creditors and shareholders of the Company shall, *inter alia*, result in following benefits to the Company and its Creditors:

- a) Bring the Company into the Group of the Proposer, which is an entity engaged in the business of sugar, brewery, distillery, transport, etc. Greater operational efficiency and capacity building with complementing synergies will be created between the Proposer and the Company.
- b) The Creditors of the Company would be paid and the assets of the Company would be maximized for the benefit of all the Creditors, resulting in their realizing a value greater than the Liquidation Value of the Company.
- c) To remove the Company from the hands of its existing shareholders and to place it in the hands of a new set of shareholders and under a new management, as a going concern as per the objectives of the Code.
- d) To extinguish the paid-up share capital of the Company for NIL Consideration and to infuse fresh equity and debt, into the Company, for its benefit and revival.
- e) Revive the business of the Company, which owing to lack of liquidity and effective management of resources, has been put to Liquidation under the tenets of the Code.
- f) To leverage the operational efficiencies, capacity and business of the Company, as a going concern, failing which, the assets of the company would lose value, being specific business assets.



- g) To revive and perform the contracts of the Company, which have been stalled and delayed owing to the Company going into Liquidation under the tenets of the Code.

V PARTS OF THE SCHEME

The Scheme of Amalgamation is presented under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and is divided into following parts:

1. **Part A** deals with the definitions and share capital;
2. **Part B** deals with the Scheme of Compromise and Arrangement made for Shree Ambika Sugars Ltd, by the Proposer of this Scheme, which included payments to be made to various creditors of the Company and for arrangement with the shareholders of the Company;
3. **Part C** deals with the general terms and conditions applicable to this Scheme.



PART A - DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

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

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2 **Act of God** means and includes lightning, earthquake, flood, tsunami, storm, drought, cyclone, typhoon or tornado and any other similar event, occurrence, calamity or phenomenon, which is caused solely by the effect of nature or natural causes.
- 1.3 **“Applicable Law”** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, Statutory Authority, Court, Tribunal (as defined hereinafter) having jurisdiction over the Company, as the case may be; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Company, as the case may be;
- 1.4 **“Appropriate Authority”** means:
- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;



- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
 - (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) the Competition Commission of India, self-regulatory organisation, the Tribunal (as defined hereinafter);
- 1.5 **“Board” or “Board of Directors”** means the respective Board of Directors of the Company, as the case may be, and shall include a committee duly constituted and authorized thereby for the purpose of matters pertaining to the Scheme and / or any other consequential or incidental matter in relation thereto.
- 1.6 **“Code”** shall mean the Insolvency and Bankruptcy Code, 2016, as may be amended from time to time.
- 1.7 **“Company”** shall mean Shree Ambika Sugars Ltd.
- 1.8 **“Corporate Insolvency Resolution Process Costs (CIRP Costs)”** shall mean the cost incurred by the Liquidator in IBA/1017/2019, towards the conduct of the Corporate Insolvency Resolution Process and Liquidation Process, as per the tenets of the Insolvency and Bankruptcy Code, 2016.
- 1.9 **“Creditors”** shall mean and include Financial Creditors, Operational Creditors and other creditors of the Company, as may be admitted by the Liquidator, as per due process of law, in IBA/1017/2019.



- 1.10 **“Encumbrance”** means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **“Encumber”** shall be construed accordingly;
- 1.11 **“Employees”** means all permanent employees, workers, officers, managers and supervisors of the Company;
- 1.12 **“Effective Date”** means the date on which the instant Scheme is approved by the National Company Law Tribunal or such other competent authority.
- 1.13 **“Financial Creditor”** means creditors as defined under section 5(8) of the Insolvency and Bankruptcy Code, 2016 and shall include all creditors, whose claims have been admitted under the said category, by the Resolution Professional/ Liquidator in the Corporate Insolvency Resolution Process of the Company in IBA/1017/2019.
- 1.14 **“INR”** means Indian Rupee, the lawful currency of the Republic of India;
- 1.15 **“Liquidator”** shall mean the Liquidator appointed by the Hon’ble National Company Law Tribunal, Chennai Bench under the Insolvency and Bankruptcy Code, 2016 in IBA/1017/2019, for the Company.



- 1.16 “**Monitoring Committee**” shall mean the Monitoring Committee constituted under the terms of this Scheme.
- 1.17 “**Operational Creditors**” means creditors as defined under section 5(21) of the Insolvency and Bankruptcy Code, 2016 and shall include all creditors, whose claims have been admitted under the said category, by the Resolution Professional/ Liquidator in the Corporate Insolvency Resolution Process of the Company in IBA/1017/2019.
- 1.18 “**Permits**” means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings from, with or to (as applicable) any Appropriate Authority under Applicable Law;
- 1.19 “**Receivables**” means all the monies due and lawfully owed to the Company.
- 1.20 “**Registrar of Companies**” means the Registrar of Companies, Chennai, Tamil Nadu.
- 1.21 “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Compromise and Arrangement made by the Proposer for the Company, with all its shareholders and creditors, in its present form as submitted to the Tribunal or this Scheme with such modification(s), if any made, or such other modifications / amendments as the Tribunal may direct.



- 1.22 **“Taxation”** or **“Tax”** or **“Taxes”** means all forms of taxes levied in accordance with Tax Laws and any statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, Goods and Service Tax, input tax credit, minimum alternate tax or otherwise or attributable directly or primarily to the Company and all penalties, charges, costs and interest relating thereto;
- 1.23 **“Tax Laws”** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income tax, wealth tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;
- 1.24 **“Tribunal”** or **“NCLT”** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Act for approving any Scheme of amalgamation, Scheme of arrangement, any compromise or reconstruction of companies under Section 230 to 232 of the Companies Act, 2013 and includes in particular the Chennai Bench of National Company Law Tribunal.

All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.



2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or made as per Clause 15 of the Scheme, shall be effective from the Effective Date.

3 SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of the Company as on 8th August, 2022 is as under :

Date of Incorporation	29/04/1988
Authorised Share Capital	1180000000
Paid up Capital	485052600
Registered office Address	ELDORADO 5TH FLOOR 112 NUNGAMBAKKAM HIGH ROAD MADRAS 34 AKKAM HIGH ROAD MADRAS 34 AKKAM HIGH ROAD MADRAS 34 TN 600034 IN
Last Audited Financial	31.03.2018
Date of CIRP commencement	18.12.2019
CIRP Order number	IBA/1017/2019

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up capital of the Company. The equity shares of the Company are not listed on any of the stock exchanges in India.



**PART B – COMPROMISE & ARRANGEMENT OF THE COMPANY WITH
ITS CREDITORS AND SHAREHOLDERS**

4 TERMS OF THE COMPROMISE AND ARRANGEMENT

- i. The Liquidator issued a notice inviting all potential claimants to submit their proof of claims. This was published in newspaper in accordance with the applicable laws. The plan is being proposed in order to restructure the assets and liabilities of the Corporate Debtor and for the best interest of the stakeholders of the Corporate Debtor to the extent possible. With this objective, the Proposer assumes that all creditors including workmen, employees, Govt. dues/statutory dues etc. of the Corporate Debtor that have any claims against the Corporate Debtor have filed their claims and the verifiable claims have been admitted by the Liquidator and disclosed in the Information Memorandum, Company's website and the Virtual Data Room. Accordingly, the Proposer and the Corporate Debtor shall have no responsibility or liability in respect of any claims against the Corporate Debtor attributable to the period prior to the Effective Date other than any payments to be made under this Scheme and all claims along with any related legal proceedings including criminal proceedings if any, shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity.
- ii. The Proposer shall take over the entire assets of the Corporate Debtor including its licenses, permissions, brands, intangible Assets including intellectual property rights and other sanctions accorded by any appropriate authority in law, to carry out its activities of business, as a going concern. To this end, all licenses, approvals and sanctions given to the Corporate Debtor shall be deemed to be continuing on the Effective Date.
- iii. The takeover of assets of the Corporate Debtor, including its licenses, permissions, sanctions as referred to in clause 4 (ii), shall be transferred on an



unencumbered or free from all lien/ attachment basis to the Proposer upon payment of all monies due under this Scheme.

- iv. All charges, whether disclosed or undisclosed in the information memorandum, on any of the assets of the Corporate Debtor, shall stand extinguished upon the Effective Date, except those of the secured financial creditors whose claims have been admitted by the Liquidator shall be entitled to hold their securities until payment as set out in this Scheme is made to them.
- v. All security, including any guarantees, sureties and undertakings provided by the Corporate Debtor for any purpose whatsoever, shall stand rescinded. This shall include any guarantee or security given in favour of or for the benefit of any person whatsoever including any subsidiary or group company of the Corporate Debtor, shall stand rescinded and extinguished.
- vi. All lands, buildings, schools, machinery and other movable and immovable properties of the Corporate Debtor, irrespective of their classification, which belong to the Corporate Debtor, whether shown as an asset in the Information Memorandum or not, shall vest, free from all encumbrances, attachments and charges, upon the Corporate Debtor upon the approval of the Scheme by the Adjudicating Authority. Upon the Approval of Scheme, all persons, including statutory authorities shall be required to take necessary steps and actions to record the title of the Corporate Debtor in respect of these properties under its new management. In case such assets are held as security by any secured financial creditor, in such case, the same shall vest free from encumbrance upon payment of monies due under this Scheme.
- vii. All liabilities of the Corporate Debtor shall stand extinguished on the approval of this Scheme, i.e. with effect from the Effective Date and the Proposer herein shall be responsible to pay monies due and payable under this Scheme alone



and no other. As per the “clean slate theory” propounded by the Hon’ble Supreme Court, the Proposer/ Corporate Debtor, shall not be liable in any manner, for any liability arising out of or even remotely connected to any matter pertaining to the Corporate Debtor, prior to the approval of this Scheme.

- viii. Other than any person receiving monies under this Scheme, no other payment or settlement shall be made to any other person in respect of claims filed under CIRP or otherwise and all claims (including, for the avoidance of the doubt, any other unadmitted portion of the claims) against the corporate debtor along with any related legal proceedings, including criminal proceedings shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity on the approval of this Scheme, i.e. with effect from the Effective Date.
- ix. The payment to persons contemplated in this Scheme shall be the full and final performance and satisfaction of all its obligations to all stakeholders (whether participating or not) in the Corporate Insolvency Resolution Process and all claims (including, for the avoidance of the doubt, any other unadmitted portion of the claims) of such persons against the corporate debtor shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity on the approval of this Scheme.
- x. With effect from the Effective Date, all pending proceedings relating to the liquidation of the Corporate Debtor shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity and all violations or breach of provision of law or breach of any terms and conditions ever been committed or breach of any agreement of the Corporate Debtor, shall stand condoned or waived and such agreements shall be treated as if no violation or breach have ever been committed. It is clarified that this clause does not apply to applications preferred by the Resolution Professional/ Liquidator under section 43, 45, 49, 50 or 66 of the Code or any other



application for avoidance of transactions against any person. The Resolution Professional/ Liquidator shall continue with proceedings for avoidance of transactions post the approval of the Scheme.

- xi. Upon the approval of the Scheme by the Hon'ble National Company Law Tribunal, all contingent liabilities of the Corporate Debtor up to the Effective Date, arising out of any document, instrument, guarantee, disputes, proceedings, arbitrations etc., to which the Corporate Debtor is a party shall, irrespective of the final outcome of the disputes/legal proceedings, stand irrevocably and unconditionally abated, settled and extinguished in perpetuity. It is clarified that no liability emanating from these contingent liabilities/claims can be cast upon the Proposer and as such, the monies payable under this Scheme shall alone be the liability of the Proposer.
- xii. All stock, raw material, inventory and other work in progress of the Corporate Debtor shall vest with the Proposer/ Corporate Debtor, free from any encumbrance, charge, attachment or lien. No liability whatsoever, relating to such stock, raw material, inventory or work in progress shall ensue upon the Corporate Debtor/ Proposer, on account of this Scheme. In case any of these stock, raw material, inventory or work-in-progress are charged with any financial creditor, then the same shall vest free from encumbrance on the payment of monies due under this Scheme. It is further understood that some stock/ raw material which may not be owned by the Corporate Debtor and presently under dispute are lying with the Corporate Debtor, in its premises. In respect of these proceedings, it is informed that the disputing party has not filed any claim before the Ld. Liquidator. In respect of this matter and any other connected matter, it is clarified that no liability whatsoever can arise on the Scheme Proponent or the Corporate Debtor, on or after the Effective Date, in respect of such raw material, their storage, non-payment of consideration thereof, any claim on account of damages, shipping, customs, other taxes or duties including obligations under EPCG, Advance Authorisation Schemes or any other policy of any government, etc. It is clarified that the doctrine of clean



slate set out in this clause as well as other parts of the Scheme, shall operate in respect of these matters as well.

- xiii. It is understood that there are certain contingent receivables on account of certain Identified Assets, in the Corporate Debtor, in respect of which, the Stakeholders Consultation Committee seeks to realise independently, for which, they seek to create a trust and have the following items along with all corresponding liabilities associated with the Identified Assets to the trust to be created. It is hereby clarified that nothing contained in this Scheme or any other documents shall be construed as creating or transferring or making either the Corporate Debtor or the Scheme Proponent liable for any liability that may arise out of or in connection with such Identified Assets. Such Identified Assets are considered to be outside the Liquidation Estate and all liabilities arising out of and in connection with such Identified Assets are considered to be outside the purview of this Scheme and such liabilities shall be dealt with by such Trust created by the Stakeholders Consultation Committee only, with no liability whatsoever to the Corporate Debtor and the Scheme Proponent.
- xiv. Upon payment of monies due under this Scheme by the Scheme Proponent, all creditors in whose favor encumbrances, security interest, liens and/ or attachments (including to pursuant to applicable laws) are created or suffered to exist over the asset of the Corporate Debtor or over the securities of the Corporate Debtor whether by Contract or by applicable laws, such encumbrances, security interest, liens and / or attachments shall stand unconditionally and irrevocably released and all enforcements commenced by any person over any of the assets of the Corporate Debtor or over any securities of the Corporate Debtor shall stand released and reversed, without the requirement of any further deed or action on part of the Proposer or the Corporate Debtor.
- xv. Upon the Approval of the Scheme, the Corporate Debtor/ Proposer shall be at liberty to renegotiate all contractual arrangements with all persons dealing with the Corporate Debtor, including with workmen, employees,



workmen/employee unions, etc. The Proposer/ Corporate Debtor shall be at liberty to refuse recognition to any union as had been set up under the erstwhile management of the Corporate Debtor and shall be at liberty to recognize any new union in this respect as representing the employees/workmen of the Corporate Debtor under its new management. It is clarified that the liberty under this clause includes the liberty to discontinue the services of any employee, workmen or personnel of the Corporate Debtor, at the sole discretion of the Scheme Proponent.

- xvi. With effect from the Effective Date, the guarantors who have provided guarantees prior to the Effective Date for or on behalf of and in order to secure the debt availed of by the Corporate Debtor shall not be entitled to exercise any subrogation rights in respect of such guarantees. With effect from the Effective Date, all rights and claims (whether contingent or otherwise) of whatsoever nature of every member of the promoter group against the Corporate Debtor shall stand irrevocably and unconditionally abated, settled and extinguished in perpetuity.
- xvii. With effect from the Effective Date, all the outstanding negotiable instruments issued prior to the Effective Date by the Corporate Debtor or by any person on behalf of the Corporate Debtor including demand promissory notes, postdated cheques, and letter of credit shall stand terminated and the Corporate Debtor's liability under such instruments shall stand irrevocably and unconditionally abated, settled and extinguished. It is clarified that this clause shall not affect any liability that the personal, corporate or other guarantors to any of the creditors of the Corporate Debtor. It is further clarified that nothing contained in this clause shall entitle such guarantors or persons subjected to such recovery, to have any right of subrogation against the Corporate Debtor.
- xviii. With effect from the Effective Date, the right of any person (whether to be exercised now or in future; and whether contingent or not) to call for the



allotment, issue, sale or transfer of share if any, or loan capital of the Corporate Debtor, whether on a change of control, or otherwise shall stand irrevocably and unconditionally abated, settled and extinguished.

- xix. All claims whether contingent or crystallized or disputed and whether or not filed with Government authorities in relation to all taxes, fees and other statutory dues including but not limited to Income Tax, TDS, Goods and Service Tax, VAT, Service Tax, Property Tax, Professional Tax, local body taxes including panchayat taxes, Excise Duty, Customs Duty, Cess, Royalties and Fees, Provident Fund, Gratuity, Bonus, levies etc. and/ or penalties including but not limited to fines and interest on FEMA/FERA/AML and other compliances and fines which the Corporate Debtor was or may be liable to pay (including with respect to Financial years under Assessments), all deductions and all withholding taxes on any payment, as required under applicable laws and pertaining to the period prior to the Effective Dates shall stand irrevocably and unconditionally abated, settled and extinguished on the Effective Date. Nothing contained in this clause shall affect the payments to be made from any Gratuity Fund created for the purpose of paying any gratuity to the employees/ workmen of the Corporate Debtor, if the same is handed over to the Scheme Proponent. It is further clarified that if no Gratuity Fund is created or maintained by the Corporate Debtor for the period prior to Liquidation, nothing contained in this clause shall be construed to mean that the Scheme Proponent or the Corporate Debtor under the Scheme Proponent, to be liable to pay such gratuity.

- xx. No statutory or government authority, including but not limited to authorities responsible for FEMA, FERA, RBI guidelines, etc. such as the Enforcement Directorate, CBI, Anti-Money Laundering Authorities, etc., shall initiate any action against the Corporate Debtor or the Proposer or its management for any action undertaken by the erstwhile management of the Corporate Debtor. No liability whatsoever, which is relatable to the actions of the erstwhile



management of the Corporate Debtor, i.e. which is relate to the period prior to the Effective Date, shall be the liability of the Proposer/ Corporate Debtor post the approval of the Scheme. All such liabilities, insofar as the Corporate Debtor is concerned, shall stand extinguished, nullified and abated.

- xxi. All claims, whether contingent or crystallized or disputed and whether or not filed with Government authorities and whether or not previously paid, in relation to all taxes, levies, royalties, fees and other statutory dues, etc. shall stand irrevocably and unconditionally abated, settled and extinguished on the Effective Date. No liability whatsoever, for non-compliance of business related targets or quotas, more particularly in the nature of contributions or penalties for non-adherence to any statutory or regulatory norm, insofar as they relate to the period prior to the Effective Date, shall ensue as liability on the Proposer/ Corporate Debtor, post the approval of the Scheme.
- xxii. 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.
- xxiii. All liabilities (whether contingent or crystallized or disputed) in relation to any bank guarantee given by the Corporate Debtor prior to the Effective Date shall stand extinguished and discharged with effect from Effective Date. Any margin money deposits which may have been provided to any bank or institution for such guarantee shall be released for the utilization of the Proposer.
- xxiv. The Proposer and Corporate Debtor shall be entitled to carry forward all losses in the Corporate Debtor, for the years preceding the approval of the Scheme,



irrespective of whether such losses have been filed and claimed before the concerned statutory authority at the relevant point in time.

- xxv. All claims, whether contingent or crystallized or disputed and whether or not filed with Government authorities and whether or not previously paid, in relation to all taxes, levies, royalties, fees and other statutory dues, more particularly relating to the Sugar Industry including but not limited to Cane Development Contribution Fund (CDCF), Monthly Release Quota Compliance, levies, etc. shall stand irrevocably and unconditionally abated, settled and extinguished on the Effective Date. No liability whatsoever, for non-compliance of business related targets or quotas, more particularly in the nature of contributions or penalties for non-adherence to any statutory or regulatory norm, insofar as they relate to the period prior to the Effective Date, shall ensue as liability on the Proposer/ Corporate Debtor, post the approval of the Scheme.
- xxvi. All penalties, interests, fines, charges or any other liabilities for any non-compliance by the Corporate Debtor in relation to the lease deeds executed by the Corporate Debtor shall stand waived and extinguished.
- xxvii. With effect from the Effective Date, 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.



- xxviii. 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.
- xxix. All the demat accounts and other security accounts of the Corporate Debtor shall be handed over on a free from any encumbrances basis, to the Proposer. No monies other than those set out under this Scheme shall be payable for the said purpose.
- xxx. Subject to the principles governing section 32A of the Insolvency and Bankruptcy Code, 2016, governmental authorities shall not initiate any investigations actions or proceedings against the Proposer and / or the Corporate Debtor in relation to any actions or omissions of the Resolution Professional/ Liquidator which are in compliance with applicable laws or the erstwhile management of the Corporate Debtor. Further, the Proposer and /or Corporate Debtor shall not be liable for any violations, penalties or fines pursuant to actions or omissions of the Resolution Professional/ Liquidator which are not in compliance with the applicable laws.
- xxxi. 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.
- xxxii. All claims that may be made against the corporate debtor in relation to any payments required to be made by the corporate debtor under Applicable Law,



or in relation to any breach, contravention or non-compliance of any Applicable Law (whether or not such claim was notified to or claimed against the corporate Debtor at such time, and whether or not such Governmental Authority was aware of such claim at such time), shall immediately, irrevocably and unconditionally stand abated, settled and extinguished, on and from the Effective Date. No Governmental Authority shall have any further rights or claims against the Corporate Debtor/Proposer, in respect of the period prior to the Effective Date and/or in respect of the amount written off/ extinguished under this Scheme.

xxxiii. All litigations, including but not limited to those disclosed in the Information Memorandum, instituted, commenced or continued against the Corporate Debtor, whether in India or outside, shall stand abated and extinguished with no liability to the Corporate Debtor or the Proposer. The abatement and extinguishment of liability and proceedings under this clause shall include the abatement and extinguishment of rights in the nature of a lien, counter-claim, set-off, etc., by whatever name called, in any legal proceedings. It is clarified that nothing contained in this clause shall apply to any legal proceeding which is for the benefit of the Corporate Debtor, i.e. for recovery of any monies by the Corporate Debtor. It is further clarified that, even in proceedings which are initiated for the recovery of monies by the Corporate Debtor, no right of counter claim, set off or any other right to claim against the Corporate Debtor, shall be available to the opposite party (party taking an adverse position) to the Corporate Debtor.

xxxiv. No new litigation or proceeding may be commenced against the Corporate Debtor or Proposer for any liability of the Corporate Debtor which relates to a period prior to the Effective Date. As per the terms of this Scheme, these claims shall stand extinguished for nil consideration, as per the "clean slate" theory. Nothing contained in this clause shall be deemed to abate or extinguish



any right or litigation instituted for the benefit of the Corporate Debtor to claim any monies from any third party.

- xxxv. Any and all rights and entitlements of the Central Government, the State Governments, any regulatory or local authority or body or any agency or instrumentality thereof or any other party or entity (under any agreement lease, license, approval, consent, privilege or permission), whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the Information Memorandum, in relation to any period prior to the Effective Date, shall be deemed to be permanently extinguished and the Corporate Debtor and/or the Proposer shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation thereto.
- xxxvi. In summary, all the liabilities of the Corporate Debtor including all financial debts, operational debts or any other debt, whether claimed or unclaimed, contingent or otherwise, including but not limited to guarantees, sureties, etc, shall stand cancelled/extinguished with no further liability to the Proposer in lieu of the consideration ascribed in this Scheme.
- xxxvii. The Proposer and Corporate Debtor shall be entitled to all tax benefits the Corporate Debtor could have claimed, but has not, prior to the approval of the Scheme, irrespective of whether any filing or other condition precedent, for claiming such benefit or loss, has not been undertaken by the Corporate Debtor or the Resolution Professional/ Liquidator, prior to the approval of the Scheme. It is clarified that all delays in filing of returns, documents shall stand condoned upon the approval of the Scheme and the Proposer/ Corporate Debtor shall be entitled to claim all unclaimed benefits and losses, for the period prior to the approval of the Scheme.



- xxxviii. The Proposer/ Corporate Debtor shall be entitled to carry forward any and losses of the Corporate Debtor for any previous financial years as may be available under applicable laws, post approval of the Scheme, irrespective of whether, any filing necessary for claiming such losses have been made within due time by the Corporate Debtor. In other words, the Corporate Debtor/ Proposer shall not be denied the benefit of carrying forward losses on account of any delayed filing of income tax returns.
- xxxix. The Proposer/ Corporate Debtor shall be at liberty to carry out any restructuring of the Corporate Debtor, including by way of merger, demerger, amalgamation, etc, post payment of monies due under this Scheme.
- xl. All other current assets, including all receivables, subsidies, rebates, refunds, sundry debtors, etc of the Corporate Debtor shall stand transferred to the Proposer/Corporate Debtor on going concern basis. It is clarified that no liability whatsoever, whether in the nature of a lien, charge, counter claim, set-off or otherwise, which may emanate from these transactions, shall fall upon the Proposer/Corporate Debtor.
- xli. 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.
- xlii. In the event any transaction is avoided/set aside by the NCLT in terms of Sections 43, 45, 47, 49, 50 or 66 of the insolvency and bankruptcy code, 2016 and any amount is received by the Resolution Professional/ Liquidator or the Corporate Debtor in furtherance thereof, such sum shall be deemed to have been received for the benefit of the Committee of Creditors/ Stakeholders Committee of the Corporate Debtor. In this regard, it is clarified that the Proposer has no connection or nexus to these proceedings and should be independently run by the Resolution Professional/ Liquidator post approval of



the Scheme, in his capacity as head of the Monitoring Committee. No liability whatsoever, can ensue from these proceedings on the Proposer or the Corporate Debtor post approval of the Scheme and the Proposer/ Corporate Debtor shall not be required to carry out any action in relation to these proceedings, except for cooperating with the Monitoring Committee on best effort basis. The Proposer/ Corporate Debtor shall not bear any expenses in relation to these proceedings post the Effective Date as the same would not form part of the CIRP Costs.

- xliii. The Proposer shall be entitled to all the shares, investments and rights of the Corporate Debtor without any corresponding liability arising therefrom, except insofar as specifically undertaken under this Scheme. It is clarified that all shares held by the Corporate Debtor, in any of its subsidiaries or in any other company, shall inure to the benefit of the Proposer, free from all encumbrances attached thereto. It is further clarified that no liability whatsoever, arising out of or in connection to any investment made by the Corporate Debtor, shall fall upon the Proposer or the Corporate Debtor, after the approval of the Scheme.
- xliv. The Proposer reserves the right of appointment of a reputed statutory auditor, cost auditor, secretarial auditor and concurrent auditor on or after Effective Date, to ensure that the corporate compliances of the Company are fulfilled, without any further approvals and compliances by the Corporate Debtor, subject to applicable laws.
- xlv. The Proposer reserves the right of appointment of an experienced firm of internal auditors on or after Effective Date, to strengthen the internal control systems of the Company in line with internationally acceptable standards.
- xlvi. The Proposer reserves the right to provide additional training to the existing teams of the Corporate Debtor after Effective Date to enhance the current capabilities to achieve the goal of increasing efficiency of operations.



- xlvi. The Proposer shall not be required to provide any credit support, corporate support or any other credit enhancement to any person whatsoever. The Proposer/Corporate Debtor shall not be liable in any respect in relation to any matter relating to the period prior to the Effective Date post the approval of the Scheme by the Adjudicating Authority, save and except the monies specifically set out as payable under this Scheme.
- xlviii. Upon the approval of the Scheme by the Hon'ble Adjudicating Authority, the paid up share capital of the Company shall be extinguished for NIL Consideration. The Corporate Debtor shall retain its authorized capital post approval of the Scheme. Fresh shares to the tune of the Paid Up Share Capital Rs. 48,50,52,600/-, shall be issued by the Company in favour of the Proposer, on the payment of the first tranche under this Scheme, in the following manner:

Name of Shareholder	% of shareholding
SNJ Distillers Pvt Ltd	75%
SNJ Sugars and Products Ltd	5%
SNJ Breweries Pvt Ltd	5%
Mrs. J Geetha	6%
Mrs. J Nandini	3%
Ms J Anitha	3%
Ms J Pavithra	3%

- xlix. Post approval of the Scheme, the unissued authorized capital of the Corporate Debtor shall be retained by the Proposer.



1. Save and except to the extent set out herein, the Proposer shall not be required to provide any credit support, corporate support or any other credit enhancement to any person whatsoever.

5 CONSIDERATION

The proposer has given its EOI on 15.07.2022 with payment of Rs.50.00 lakhs. (Fifty Lakhs only). Subsequently, an additional interest free earnest money deposit of Rs. 1,50,00,000/- (Rupees One Crore and Fifty Lakhs Only) has been paid on 10.08.2022. Therefore, a total of Rs. 2 crores has been remitted by way of interest free deposit to the Liquidator. The proof of the same is annexed as **Annexure 'A'**. In addition to the same, a performance bank guarantee of 5% of the Scheme Value, shall be submitted if the instant Scheme is approved by the Stakeholders Committee.

- 5.1 The Liquidator, in the Information Memorandum, has provided the following as the debts due by the Company to its Creditors, in respect of whom and in respect of which, this Scheme of Compromise is proposed, with an assumption that there is no other liability whatsoever, on the Company, apart from those mentioned herein:

Sl. No	Category of Stakeholder	Amount admitted (Rs.)
1.	CIRP Cost and Liquidation Cost In priority	8,28,68,175/-
2.	Secured Financial Creditor	1372,03,97,739/-
3.	Unsecured Financial Creditor	132,51,86,256/-
4.	Operational creditors (Workmen)	7,75,16,967/-
5.	Operational creditors (Employees)	2,15,78,154/-



6.	Operational creditors (Govt Dues)	93,31,90,829/-
7.	Operational creditors (Others)	3,95,44,033/-
8.	Operational Creditors (Cane Farmer Dues)	36,76,87,604/-
9.	Other stakeholders, if any (Other than Financial Creditors and operational Creditors)	17,53,20,320/-
10.	TOTAL	Rs 1674,32,90,077/-

5.2 The total consideration payable to all the creditors, including assenting and dissenting financial creditors, is as follows:

- (i) Notwithstanding anything contained in this Scheme or any other document entered into, by the Corporate Debtor, its erstwhile management or any other person whatsoever, nothing contained in the Scheme can be construed to mean as creating any liability whatsoever, on the Proposer apart from those financial obligations mentioned in this part of the Scheme. It is clarified that nothing contained in this Scheme can be construed to impose any liability on the Corporate Debtor, which otherwise has not been specifically mentioned under the Scheme. It is hereby assumed that the Resolution Professional/ Liquidator has included all contingent dues, relating to the period prior to the CIRP, including dues in the nature of gratuity, bonus, PF, ESI, any interest or penalty thereon, as monies due, claimed and admitted under the Information Memorandum and the value set out in this Scheme is inclusive for all such amounts. No monies other than those provided under this Scheme, for any such future contingent liability that may arise, shall be payable by the Proposer, if the same has not been provided for in the Information Memorandum by the Resolution Professional/ Liquidator.



- (ii) **CIRP AND LIQUIDATION COSTS:** The actual CIRP costs and Liquidation Costs up to the date of approval of the Scheme by the Hon'ble Adjudicating Authority shall be paid towards full and final payment of the insolvency resolution process costs payable in terms of section 30 (2) (a) of the Code and Regulation 38 (1) (a) of the CIRP Regulations. The RP/ Liquidator has stated that the CIRP Costs would not exceed a sum of Rs. **6,30,37,989/-** (Rupees Six Crores Thirty Lakhs Thirty Seven Thousand Nine Hundred and Eighty Nine Only) and the Liquidation Cost would not exceed Rs. 1,98,30,186/- (Rupees One Crore Ninety Eight Lakhs Thirty Thousand One Hundred and Eighty Six Only). The CIRP costs and Liquidation Costs including any salaries payable to workmen and employees during the CIRP period and any other fee payable to the Resolution Professional/ Liquidator, not exceeding a sum of Rs. 8,28,68,175/- (Rupees Eight Crores Twenty Eight Lakhs Sixty Eight Thousand One Hundred and Seventy Five Only) shall be paid within **30 days** from the Date of Approval of the Scheme. In case the actual CIRP and Liquidation Cost exceed beyond **Rs. 8,28,68,175/- (Rupees Eight Crores Twenty Eight Lakhs Sixty Eight Thousand One Hundred and Seventy Five Only)**, the Proposer undertakes to pay such sum on actuals basis on priority, within 30 days from the Effective Date / actual date of expenses incurred. It is clarified that any payment to be made to any Chairman or Authorized Representative, who may be appointed by the NCLT, shall also be made from the provision made for Liquidation Costs under this Clause.

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.

(iii) **OPERATIONAL CREDITORS (WORKMEN DUES)** : As per the list of creditors annexed to the Information Memorandum, the Resolution Professional/ Liquidator has admitted claims of Operational Creditors (Workmen Dues) aggregating to Rs. **7,75,16,967/-** (Rupees Seven Crores Seventy Five Lakhs Sixteen Thousand Nine Hundred and Sixty Seven Only). The Proposer proposes to pay an aggregate sum of **Rs. 73,48,608/- (Rupees Seventy Three Lakhs Forty Eight Thousand Six Hundred and Eight Only)** constituting 9.48% (approx) of the admitted claims, as full and final settlement of all dues to the operational creditors (workmen Dues) within **30 days** from the Date of Approval of the Scheme. If any further claims are admitted by the Resolution Professional/ Liquidator, the said amount may be distributed by the Monitoring Committee to the Operational Creditors on pro-rata basis and the aggregate liability of the Proposer to the Operational Creditor (workmen dues) shall remain **Rs. 73,48,608/- (Rupees Seventy Three Lakhs Forty Eight Thousand Six Hundred and Eight Only)**. No monies whatsoever, in the nature of **salary, wages, PF, ESI, gratuity, bonus, compensation, allowances**, including any interest or penalty therein, etc, by whatever name called, are payable to the employees and workmen, except as mentioned above.

(iv) **OPERATIONAL CREDITORS (EMPLOYEE DUES)** : As per the list of creditors annexed to the Information Memorandum, the Resolution Professional/ Liquidator has admitted claims of Operational Creditors (Employee Dues) aggregating to Rs. **2,15,78,154/-** (Rupees Two Crores Fifteen Lakhs Seventy Eight Thousand and One Hundred and Fifty Four Only) . The Proposer proposes to pay an aggregate sum of **Rs. 10,78,908/-** (Rupees Ten Lakhs Seventy Eight Thousand Nine Hundred and Eight



Only), constituting 5% (approx.) of the admitted claims, as full and final settlement of all dues to the operational creditors (Employee Dues) within **30 days** from the Date of Approval of the Scheme. If any further claims are admitted by the Resolution Professional/ Liquidator, the said amount may be distributed by the Monitoring Committee to the Operational Creditors on pro-rata basis and the aggregate liability of the Proposer to the Operational Creditor (employee dues) shall remain **Rs. 10,78,908/-** (Rupees Ten Lakhs Seventy Eight Thousand Nine Hundred and Eight Only). No monies whatsoever, in the nature of salary, wages, PF, ESI, gratuity, bonus, compensation, allowances, including any interest or penalty therein, etc, by whatever name called, are payable to the employees and workmen, except as mentioned above.

- (v) **OPERATIONAL CREDITORS (GOVERNMENT DUES):** As per the list of creditors annexed to the Information Memorandum, the Resolution Professional/ Liquidator has admitted claims of Operational Creditors (Government Dues) aggregating **Rs.93,31,90,829/-** (Rupees Ninety Three Crores Thirty one Lakhs Ninety Thousand Eight Hundred and Twenty Nine Only). The Proposer proposes to pay an aggregate sum of **Rs. 4,66,59,541/- (Rupees Four Crore Sixty Six Lakhs Fifty Nine Thousand Five Hundred and Forty One Only)**, constituting 5% (approx.) of the admitted claims, as full and final settlement of all dues to the operational creditors within **30 days** from the date of approval of the Scheme.

Out of the government dues admitted, a sum of **Rs 4,23,49,958/- (Rupees Four Crores Twenty Three Lakhs Forty Nine Thousand Nine Hundred and Fifty Eight Only)** is claimed by the PF Department. In the interest of the workmen and employees, a sum **Rs 4,23,49,958/- (Rupees Four Crores Twenty Three Lakhs Forty Nine Thousand Nine Hundred and Fifty Eight Only)** is paid in full to the PF Department. The remaining sum of **Rs. 43,09,583/- (Rupees Forty Three Lakhs Nine Thousand Five**



Hundred and Eighty Three only) shall be distributed pro-rata amongst other creditors falling with the class of operational creditors (Government Dues).

If any further claims are admitted by the Resolution Professional/ Liquidator, the said amount of **Rs. 43,09,583/- (Rupees Forty Three Lakhs Nine Thousand Five Hundred and Eighty Three only)** may be distributed by the Monitoring Committee to the Operational Creditors (Government dues) on Pro-rata basis and the aggregate liability of the Proposer to the Operational Creditors (Government Dues) shall remain Rs. 4,66,59,541/- (Rupees Four Crore Sixty Six Lakhs Fifty Nine Thousand Five Hundred and Forty One Only)

It is hereby unequivocally clarified that no monies whatsoever, whether claimed or unclaimed, crystallized or uncrystallised, whether reduced to in the form of a decree or otherwise by any order of Court or authority, shall be payable to any operational creditor, including the Income Tax Department, Sales Tax Department, GST or any other Government agency, under the Scheme. Monies due from the Corporate Debtor, apart from those which have been admitted by the Resolution Professional/ Liquidator and set out in the information memorandum, shall stand extinguished and shall no longer be the liability of the Corporate Debtor, after the approval of the Scheme. It is further clarified that all liabilities of any statutory authority including FERA, FEMA, direct or indirect taxes, Enforcement Directorate, etc., stand irrevocably extinguished and abated.

Further, it is clarified that all liabilities which may emanate from any litigation already instituted or to be instituted, which relates to the affairs of the Corporate Debtor as it stands prior to the approval of the Scheme by the Hon'ble NCLT shall stand extinguished for nil consideration and no



liability whatsoever may ensure upon the Proposer or the Corporate Debtor post the approval of the Scheme.

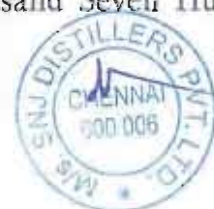
- (vi) **OPERATIONAL CREDITORS (OTHER THAN WORKMEN AND EMPLOYEES AND GOVT. DUES):** As per the list of creditors annexed to the Information Memorandum, the Resolution Professional/ Liquidator has admitted claims of Operational Creditors (Other Dues) aggregating to Rs. **3,95,44,033/-** (Rupees Three crores Ninety Five Lakhs Forty four Thousand Thirty Three Only). The Proposer proposes to pay an aggregate sum of Rs. **19,77,202/- (Rupees Nineteen Lakhs Seventy Seven Thousand Two Hundred and Two Only)**, constituting 5 % (approx.) of the admitted claim, as full and final settlement of all dues to the operational creditors (Other Dues) within **30 days** from the date of Approval of the Scheme. If any further claims are admitted by the Resolution Professional/ Liquidator, the said amount may be distributed by the Monitoring Committee to the Operational Creditors (Other Dues) on pro-rata basis and the aggregate liability of the Proposer to the Operational Creditors shall remain Rs. 19,77,202/- (Rupees Nineteen Lakhs Seventy Seven Thousand Two Hundred and Two Only).
- (vii) **DUES TO CANE FARMERS:** As per the list of creditors annexed to the Information Memorandum, the Resolution Professional/ Liquidator has admitted claims of Cane Farmers dues aggregating to Rs. **36, 76, 37, 604/- (Rupees Thirty Six Crores Seventy Six Lakhs Eighty Seven Thousand Six Hundred and Four Only)**. The farmers are treated independently and differently from other operational creditors in larger public interest and to encourage the farmers to continue cane growth, which is essential for the revival of the business of the Corporate Debtor. The Proposer proposes to pay an aggregate sum of Rs. **29,43,67,131/- (Rupees Twenty Nine Crores Forty Three Lakhs Sixty Seven Thousand One Hundred and Thirty One Only)**, constituting 80.06% of the admitted claim, as full and final



settlement of all dues to the cane farmers within **30 days** from the Date of Approval of the Scheme. If any further claims made by the Cane Farmers or any governmental authority or society or agency on their behalf are admitted by the Resolution Professional/ Liquidator, the said aggregate amount may be distributed by the Monitoring Committee to the Cane Farmers/ government authority/ society/ agency applying on their behalf, on pro-rata basis and the aggregate liability of the Proposer to the Cane Farmers shall remain Rs. 29,43,67,131/- (Rupees Twenty Nine Crores Forty Three Lakhs Sixty Seven Thousand One Hundred and Thirty One Only).

In so far as farmer / cane dues are concerned, these claims are treated independently and differently from other operational creditors in larger public interest and to encourage the farmers to continue cane growth, which is essential for the revival of the business of the Corporate Debtor. Therefore, they are provided with a great sum / percentage in comparison to the other operational creditors. However, if any further claims made by the Cane Farmers or any governmental authority or society or agency on their behalf are admitted by the Resolution Professional/ Liquidator, the said aggregate amount may be distributed by the Monitoring Committee to the Cane Farmers / government authority / society / agency applying on their behalf, on pro- rata basis and the aggregate liability of the Proposer to the Cane Farmers shall remain Rs. 29,43,67,131/- (Rupees Twenty Nine Crores Forty Three Lakhs Sixty Seven Thousand One Hundred and Thirty One Only).

- viii. SECURED FINANCIAL CREDITORS:** As per the list of financial creditors annexed to the information memorandum, the amount of admitted claims of secured financial creditors aggregates to Rs. **1372,03,97,739/-** (Rupees One Thousand Three Hundred and Seventy Two Crores, Three Lakhs Ninety Seven Thousand Seven Hundred and



Thirty Nine Only). The Proposer proposes to pay an aggregate sum of Rs.130,00,41,122/- (**Rupees One Hundred and Thirty Crores Forty One Thousand One Hundred and Twenty Two Only**), constituting 9.48% of the admitted claims, as full and final settlement of all dues to the financial creditors. The schedule for payment of the said sum will be as follows:

- i. Rs. **20,00,00,000/-** (Rupees Twenty Crores Only) within 30 days from the Approval of the Scheme by the Hon'ble NCLT.
- ii. Rs. **37,54,39,446/-** (Rupees Thirty Seven Crores Fifty Four Lakhs Thirty Nine Thousand Four Hundred and Forty Six only) within 60 days from the Approval of the Scheme by the Hon'ble NCLT.
- iii. Rs. **37,54,39,446/-** (Rupees Thirty Seven Crores Fifty Four Lakhs Thirty Nine Thousand Four Hundred and Forty Six only) within 90 days from the Approval of the Scheme by the Hon'ble NCLT.
- iv. Rs. **34,91,62,230/-** (Rupees Thirty Four Crores Ninety One Lakhs Sixty Two Thousand Two Hundred and Thirty only) within 120 days from the Approval of the Scheme by the Hon'ble NCLT.

The inter se distribution of the sum of Rs.130,00,41,122/- (**Rupees One Hundred and Thirty Crores Forty One Thousand One Hundred and Twenty Two Only**), between the Secured Financial Creditors, as proposed under the Scheme, is annexed herewith as **Annexure BA**.

If any further claims are admitted by the Resolution Professional/ Liquidator, the said amount Rs.130,00,41,122/- (**Rupees One Hundred**



and Thirty Crores Forty One Thousand One Hundred and Twenty Two Only), may be distributed by the Monitoring Committee to the Secured Financial Creditors on Pro-rata basis and the aggregate liability of the Proposer to the Secured Financial Creditors shall remain Rs.130,00,41,122/- (Rupees One Hundred and Thirty Crores Forty One Thousand One Hundred and Twenty Two Only).

It is understood that there are certain contingent receivables (Identified Assets) in the Corporate Debtor, which the Stakeholders Consultation Committee seeks to realise independently, for which, they seek to create a trust and have the following items along with all corresponding liabilities associated with the Identified Assets to the trust to be created. In respect of these Identified Assets, which are enlisted herein below, an NOC has been sought and the same is issued. A copy of the same is annexed along with the Resolution Plan as Annexure - NOC. The Identified Assets are as follows:

- A. 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").
- B. 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.



C. 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.

D. 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 proceeds from the realization of these assets, which are outside the liquidation estate, shall be dealt with by the Stakeholders Consultation Committee, in accordance with law.

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.

It is hereby unequivocally clarified that no monies whatsoever, whether claimed or unclaimed, crystallised or uncrystallised, whether reduced to in the form of a decree or otherwise by any order of court or authority, shall be payable to any secured financial creditor, under this Scheme. Monies



due from the Corporate Debtor, apart from those which have been admitted by the Resolution Professional/ Liquidator and set out in the information memorandum, shall stand extinguished and shall no longer be the liability of the Corporate Debtor, after the approval of the Scheme.

ix. UNSECURED FINANCIAL CREDITORS :

As per the list of creditors annexed to the Information Memorandum, the Resolution Professional/ Liquidator has admitted claims of Unsecured Financial Creditors aggregating to Rs. **132,51,86,256/-** (Rupees One Hundred and Thirty Two Crores Fifty One Lakhs Eighty Six Thousand Two Hundred and Fifty Six Only). The Proposer proposes to pay an aggregate sum of Rs. **6,62,59,313/-** (Rupees Six Crores Sixty Two Lakhs Fifty Nine Thousand Three Hundred and Thirteen Only), constituting 5% (approx.) of the admitted claim, as full and final settlement of all dues to the Unsecured Financial Creditors within 60 days from the date of Approval of the Scheme.

If any further claims are admitted by the Resolution Professional/ Liquidator, the said amount may be distributed by the Monitoring Committee to the Unsecured Financial Creditors on pro-rata basis and the aggregate liability of the Proposer to the Unsecured Financial Creditors shall remain Rs. **6,62,59,313/-** (Rupees Six Crores Sixty Two Lakhs Fifty Nine Thousand Three Hundred and Thirteen Only). The schedule for payment of the said sum will be as follows:

- i. Rs. **3,31,29,657/-** (Rupees Three Crores Thirty One Lakhs Twenty Nine Thousand Six Hundred and Fifty Seven Only) within 30 days from the Approval of the Scheme by the Hon^{ble} NCLT.



- ii. Rs. 3,31,29,656/- (Rupees Three Crores Thirty One Lakhs Twenty Nine Thousand Six Hundred and Fifty Six Only) within 60 days from the Approval of the Scheme by the Hon'ble NCLT.

The inter se distribution of the sum of Rs. 6,62,59,313/- (Rupees Six Crores Sixty Two Lakhs Fifty Nine Thousand Three Hundred and Thirteen Only). between the Unsecured Financial Creditors, as proposed under the Scheme, is annexed herewith as **Annexure BB**.

If any further claims are admitted by the Resolution Professional/ Liquidator, the said amount Rs. 6,62,59,313/- (Rupees Six Crores Sixty Two Lakhs Fifty Nine Thousand Three Hundred and Thirteen Only).) may be distributed by the Monitoring Committee to the Unsecured Financial Creditors on Pro-rata basis and the aggregate liability of the Proposer to the Unsecured Financial Creditors shall remain Rs. 6,62,59,313/- (Rupees Six Crores Sixty Two Lakhs Fifty Nine Thousand Three Hundred and Thirteen Only).

It is hereby unequivocally clarified that no monies whatsoever, whether claimed or unclaimed, crystallised or uncrystallised, whether reduced to in the form of a decree or otherwise by any order of court or authority, shall be payable to any secured financial creditor, under this Scheme. Monies due from the Corporate Debtor, apart from those which have been admitted by the Resolution Professional/ Liquidator and set out in the information memorandum, shall stand extinguished and shall no longer be the liability of the Corporate Debtor, after the approval of the Scheme.

- x. **Extinguishment of All Other Liabilities:** It is hereby unequivocally clarified that no monies whatsoever, whether claimed or unclaimed, crystallised or uncrystallised, whether reduced to in the form of a decree or otherwise by any



order of court or authority, shall be payable to any secured financial creditor, under this Scheme. Monies due from the Corporate Debtor, apart from those which have been admitted by the Resolution Professional/ Liquidator and set out in the information memorandum, shall stand extinguished and shall no longer be the liability of the Corporate Debtor, after the approval of the Scheme.

- xi. Priority to Dissenting Financial Creditors:** Payment of monies inter-se financial creditors shall be made in priority to dissenting financial creditors, before any disbursement of funds to assenting financial creditors.

- xii. Right of Financial Creditors to Proceed Against Personal Guarantors Preserved:** The 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.

- xiii. FURTHER INVESTMENT & WORKING CAPITAL:** The Proposer shall make necessary additional investments and infuse necessary working capital to operationalize, revive and run the business of the Corporate Debtor as a going concern. The Proposer reserves the right to infuse such further working capital/investment as may be necessary to operationalize to run the business of the Corporate Debtor. The Proposer shall be free to apply the funds induced under this clause, for enhancement of machinery, upgradations, etc, as it may deem fit. The discretion and decision of the Proposer in this regard is final and binding on all parties.



xiv. EXTINGUISHMENT AND RESTRICTION OF LIABILITY:

Notwithstanding anything contained in any other clause of this Scheme, no monies, other than those payable as set out hereinabove under this Scheme, shall be payable to any person, whatsoever, by the Proposer herein.

xv. EXCLUSION OF CERTAIN ASSETS AND LIABILITIES FROM SCHEME

The following assets (Identified Assets) and corresponding liabilities associated or connected with the Identified Assets, shall be excluded under the terms of the Scheme, in accordance with the NOC issued for realization of the same, independently. The Identified Assets in this regard are as follows:

- A. 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").
- B. 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.
- C. 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.



D. 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.

xvi. DEPOSIT INTO ESCROW ACCOUNT: All monies payable under this Scheme shall be deposited into an escrow account which shall be opened for the sake of this Scheme by the Resolution Professional/ Liquidator and monies from the said escrow account can only be withdrawn in accordance with the terms set out in this Scheme only.

xvii. OPERATIONAL CREDITORS TO BE PAID IN PRIORITY: At the time of disbursement of funds from the escrow account, the monies payable to the operational creditors shall be paid in priority to the monies payable to the financial and other creditors in accordance with tenets of the Code and the Regulations made there under.

xviii. SHAREHOLDERS AND HOLDERS OF OTHER SECURITIES:

A total claim of Rs.89,15,07,368/- has been received from other stakeholders including the shareholders of the Corporate Debtor and Rs. 17, 53, 20,320/- was admitted by the liquidator for the shareholders of the Corporate Debtor. In respect of the same, no monies are proposed to be paid to the shareholders as the liquidation value due to them is considered as zero, based on the valuations and due diligence conducted by this Scheme Proponent.

With effect from the Effective Date, all shares and securities held in the Corporate Debtor shall stand nullified and extinguished for **nil consideration**.

With effect from the Effective Date, the Proposer and its nominees shall be



deemed to hold 100 % of the shareholding in the Corporate Debtor and no person shall claim under any share, scrip or security, any right in respect of the Corporate Debtor or against the Proposer. Upon the approval of the Scheme by the Hon'ble Adjudicating Authority, the paid up share capital of the Company shall be extinguished for NIL Consideration. The Corporate Debtor shall retain its authorized capital post approval of the Scheme. Fresh shares to the tune of the Paid Up Share Capital Rs. 48,50,52,600/-, shall be issued by the Company in favour of the Proposer, in the following manner:

Name of Shareholder	% of shareholding
SNJ Distillers Pvt Ltd	75%
SNJ Sugars and Products Ltd	5%
SNJ Breweries Pvt Ltd	5%
Mrs. J Geetha	6%
Mrs. J Nandini	3%
Ms J Anitha	3%
Ms J Pavithra	3%

xix. PROVISION FOR DISSENTING CREDITORS: All creditors shall be paid as per the terms specified above, based on the class within which they fall and there shall be no discrimination, either in favour of or against dissenting creditors. The dissenting financial creditors shall be paid in priority to the other financial creditors.

xx. PERFORMANCE SECURITY: The Proposer hereby undertakes and shall provide performance security as provided under the RFRP if this Plan is approved by the COC/ STAKEHOLDERS COMMITTEE.



xxi. LIMITATION OF LIABILITY TOWARDS MONIES PAYABLE UNDER THE SCHEME: The Proposer makes it clear that the total monies payable under this Scheme shall be INR 180,06,00,000 /- (Rupees One Hundred and Eighty Crores and Six Lakhs Only) and as such, this includes the monies payable to the Monitoring Committee/ Monitoring Agent, for the purpose of implementing this Scheme. The table of monies paid under this Scheme is set out herein as **Annexure B**.

6 SOURCE OF FUNDS

As the Scheme proposes the payment of monies to various stakeholders under this Plan from the profits made out of the existing business of the Proposer, loans availed by the Proposer/ its group company and subsequently, from the future revenues of the Proposer. The proof of source for such funds is annexed herewith as **Annexure C**.

7 POST APPROVAL ACTIONS: MONITORING COMMITTEE, FUNCTIONS, POWERS AND DUTIES DURING THE MONITORING PERIOD

- a. Pursuant to the order of the Adjudicating Authority approving this plan, a Monitoring Committee shall be constituted and governed as per the tenets of this plan.
- b. The Monitoring Committee shall make payment to all creditors, on such dates as may be determined from this Scheme, into the relevant bank account of the recipients, where such accounts are notified to the Resolution Professional/ Liquidator.



- c. Upon implementation of the Scheme, i.e. after payment of all monies payable under this Scheme to the creditors, any charge, encumbrance, security interest, lien and/or attachments over the assets and/or securities of the corporate debtor shall be released.
- d. Upon implementation of the Scheme, i.e. after payment of all monies due under this Scheme, all assets of the Corporate Debtor, including licenses, permissions, approvals and all other intangible assets including any brand, trademark, goodwill, etc shall vest absolutely with the Corporate Debtor/ Proposer.
- e. It is clarified for the avoidance of doubt that any changes made in the constitutional documents of the corporate debtor (i.e. the memorandum of association or articles of association of the corporate debtor) for the implementation of the provisions of the plan will bind the corporate debtor and all its stakeholders, and no approval or consent shall be required from any other person/governmental authority in relation to such actions.
- f. Within one week from the Effective Date, photocopies of all books of accounts of the Corporate Debtor, copies of all documents including property documents, income tax returns, bank account statements, inventory statements, stock statement, etc. shall be handed over to the Proposer.
- g. Within 15 days from the date of final payment to all financial creditors, originals of all books of accounts of the Corporate Debtor, all documents including original property documents along with all parents documents, legal opinion and valuation report, income tax returns, bank account statements, inventory statements, stock statement, User ID, Password and other electronic data, etc shall be handed over to the Proposer. All persons including the financial creditors, banks, financial institutions, etc shall undertake necessary steps to provide the said documents or certified copies thereof to the Proposer.



- h. Without prejudice to the rights of the creditors under clauses 4(xii) and 4(xiii) of this Scheme, all inventories, stock, raw material, vehicles, fittings and furniture, etc., lying with the Corporate Debtor shall be handed over to the Proposer/ Corporate Debtor. The Resolution Professional/ Liquidator shall take all necessary steps to ensure that physical and actual possession of the same is made available to the Proposer/ Corporate Debtor, for usage and deployment in business of the Corporate Debtor, within 30 days from the Date of Approval of the Scheme.
- i. The Monitoring Committee shall ensure the smooth handing over of all assets of the Corporate Debtor post approval of the Scheme. To this end, for any purpose under this Scheme, the Monitoring Committee shall be entitled to sue, on behalf of the Corporate Debtor, to seek any assistance from any administrative or police authorities, etc. For this purpose, both, the Chairman of the Monitoring Committee and the Proposer herein, shall be severally authorized to file appropriate applications before any court of law.
- j. Any entry in CIBIL, RBI Defaulter or in any other such report relating to the credit-worthiness of the Corporate Debtor shall be immediately cleared by the financial creditors and a certificate to such effect should be handed over to the Corporate Debtor/ Proposer within 30 days from the payment of the last tranche due to such creditor under the instant Scheme.
- k. The business and licenses of the Corporate Debtor shall stand revived by the Proposer on the Effective Date, i.e. the date of Approval of the Scheme by the Adjudicating Authority.
- l. The Proposer shall be handed over physical possession of the properties for operationalizing the same, on payment of the 1st Tranche payable under this Scheme. However, the Proposer shall not create any charge/ transfer to third



party over the said properties until the last tranche of payment due under the Scheme is made. If there is any delay or default in payment, , the Proposer shall handover the possession of the property to the monitoring committee. The Proposer is ready to give an undertaking to this effect in stamp paper.

- m. The Proposer shall take over physical possession of the properties for operationalising the same. To this end, the management/ board of directors should be substituted with the nominees of the Proposer within 30 days from the approval of the Scheme and upon payment of the 1st tranche under the Scheme. However, the Proposer shall not create any charge over the said properties until the last tranche of payment due under the Scheme is made. If there is any delay or default in payment, , the Proposer shall handover the possession of the property to the monitoring committee. Further, the Proposer states that the charge over the assets of the Corporate Debtor shall continue in favour of the secured financial creditors alone, until the last tranche of payment due under the Scheme is paid by the Proposer.
- n. The Resolution Professional/ Liquidator shall disclose/ make necessary applications/ file before appropriate courts or authorities, such documents as may be necessary to disclose the details of the Scheme including but not limited to matters concerning extinguishment of liability, abatement of proceedings, etc, before such court of law or authority, to give effect to the provisions of the Scheme. Further, it is clarified that in cases where the Corporate Debtor has instituted any legal proceeding for its own benefit, i.e. for any receivables, compensation, etc, the said proceedings shall continue to the benefit of the Corporate Debtor and the Resolution Professional/ Liquidator shall take necessary steps to substitute the new management of the Corporate Debtor in place of the old management and shall ensure that necessary documents and details pertaining to the said litigations instituted for the benefit of the Corporate Debtor are handed over to the Proposer/ Corporate Debtor. It is further clarified that no liability can ensue upon the



Corporate Debtor in these proceedings on account of any defense which may be set up by the parties to these proceedings, more particularly in the nature of set-off, counter claim, etc.

- o. All powers of attorney and/or other corporate authorizations or mandates issued by the corporate debtor to any person to enable such person to carry out various functions, to sign and execute various documents and/or represent the corporate debtor, and to operate the bank accounts of the corporate debtor shall stand revoked with immediate effect, and the reconstituted board of directors of the corporate debtor shall be entitled to authorize such persons as it deems fit to carry out various functions, to sign and execute various documents and/or represent the corporate debtor, and to operate the bank accounts of the corporate debtor.
- p. The Resolution Professional/ Liquidator shall file the relevant e-forms with the Registrar of Companies, Income Tax, Annual Returns, PF, ESI and all other statutory returns for the period prior to the Effective Date. In this respect, the Resolution Professional/ Liquidator shall take all actions and steps to ensure that the relevant forms relating to the period prior to the Effective Date are duly filed with the concerned authorities. The Resolution Professional/ Liquidator shall ensure that proof of all filings along with all related documents shall be handed over to the Proposer within 15 days from the date of approval of the Scheme.
- q. The Resolution Professional/ Liquidator and the Monitoring Committee shall be responsible for handing over all lands of the Corporate Debtor to the Proposer/ Corporate Debtor, free from all encumbrances, attachments and charges, encroachments, if any, upon the approval of the Scheme by the Adjudicating Authority, subject to the payment of all monies due under the Scheme to all secured financial creditors. The Monitoring Committee shall take all necessary steps and actions to ensure that the title to all the lands



disclosed in the Information Memorandum and otherwise are cleared of any encumbrance, charge, attachment or lien and shall coordinate with relevant statutory authorities to record the title of the Corporate Debtor in respect of these properties under its new management. If there is any encroachment in any land of the Corporate Debtor, the Monitoring Committee shall clear such encroachment immediately after approval of the Scheme and shall make all arrangements to handover the lands as per this clause, upon payment of monies under this Scheme.

- r. As of the Effective Date, the Proposer shall reserve the right to retain the employees/key management personnel of the company or terminate their services or renegotiate their contracts, without any liability to compensate such personnel for such termination.
- s. As of the Effective Date, the auditor (Statutory and Internal), Cost Auditor, Company Secretary and any other key managerial person including CFO, CEO, etc of the Corporate Debtor may be asked to vacate its office, and, a person nominated by the Proposer shall be designated and appointed to the said offices in the Corporate Debtor.
- t. On the Effective Date, any and all documents pertaining to the business of the Corporate Debtor (including without limitation for all the title documents, approvals obtained by the corporate debtor including without limitation in relation to the construction, development, management and operation, cheque books, account statements in relation to all the bank accounts of the corporate debtor, loan account statements, all reports required to be maintained by the corporate debtor in accordance with the provision of the Companies Act, 1956 or Companies Act, 2013, user name and password for permanent account number (PAN), tax deduction account number (TAN), value added tax (VAT), service tax (if applicable), goods and services tax, income tax, and for any other aspect as provided by a Governmental Authority or any third party



and the passwords for all the bank accounts of the corporate debtor, etc.) shall be handed over to the Proposer.

- u. The Committee of Creditors/ Stakeholders Committee shall stand discharged on the date of approval of the Scheme by the Hon'ble Adjudicating Authority.
- v. The business of the Corporate Debtor shall be carried on by the Proposer, through directors appointed by it in this Scheme.
- w. The Proposer shall reinstate the books of accounts upon the implementation of the Scheme. The Auditor shall confirm the reinstatement and the regular maintenance of the Books of Accounts during the period of implementation of the Scheme.
- x. All powers of attorney and/or other corporate authorizations or mandates issued by the corporate debtor to any person to enable such person to carry out various functions, to sign and execute various documents and/or represent the corporate debtor, and to operate the bank accounts of the corporate debtor shall stand revoked with immediate effect, and the reconstituted board of directors of the corporate debtor shall be entitled to authorize such persons as it deems fit to carry out various functions, to sign and execute various documents and/or represent the corporate debtor, and to operate the bank accounts of the corporate debtor.
- y. The existing shareholders' shares in the Corporate Debtor shall stand extinguished for nil consideration and no person shall have any rights whatsoever, in the Corporate Debtor, its assets or its business, from the date of approval of the Scheme by the Hon'ble Adjudicating Authority.
- z. The Monitoring committee, shall be responsible for the smooth transition of all assets, documents and other matters under the Scheme and to this end, the



Monitoring Committee shall coordinate with all persons including financial institutions, governmental agencies, labour officials, etc, to ensure smooth transition and complete takeover of the Corporate Debtor.

- aa. Upon payment of the first installment under the Scheme, the entire shareholding of the Corporate Debtor shall be deemed to have been transferred in the name of the Proposer/ its nominees and the existing shareholding shall stand extinguished for nil consideration. Fresh share certificates of the Corporate Debtor shall be issued in the name of the nominees of the Proposer within 30 days from the approval of the Scheme immediately after making payment of the first instalment, i.e. immediately after payment of CIRP Costs/ Liquidation Costs.
- bb. The Monitoring Committee shall contest past litigations, which may be revived on the expiry of the moratorium period on the Effective Date, and any fresh litigations which may be filed against the Company by any person.
- cc. The Monitoring Committee shall contest the litigations challenging the Scheme on any matter of fact or law and to contest and file litigations to ensure successful implementation of the Scheme.
- dd. The licenses held by the Corporate Debtor shall be changed in favour of the new management of the Corporate Debtor including but not limited to the name of the new Managing Director/ Director of the Corporate Debtor.
- ee. The entire management of the Corporate Debtor shall be transferred/changed and control shall be handed over to the Proposer by appointing the nominees of the Proposer as Directors in the Corporate Debtor, after payment of Liquidation Costs, i.e. after 30 days from the Approval of the Scheme.



- ff. The Monitoring Committee shall be authorised and shall cooperate with the Proposer in preparing the Corporate Debtor to effectively commence and carry on its business post the approval of the Scheme. Such cooperation shall include allowing the Proposer to carry out any agreement necessary for enabling commencement of business in this regard and for facilitating the process of obtaining necessary approvals, permissions, licenses, renewals, etc, if necessary, from appropriate authorities in accordance with law.

8 MONITORING COMMITTEE: FUNCTIONS, DUTIES AND RESPONSIBILITIES POST MONITORING PERIOD – ACTIONS FOR HANDING OVER

- a. The Monitoring Committee shall have such duties as contemplated in various parts of the Scheme. Without prejudice to the generality of the aforesaid statement, the Monitoring Committee shall be responsible for carrying out the business of the Corporate Debtor post the approval of the Scheme until the disbursement of monies payable under the Scheme/ Addendum.
- b. Further, the Monitoring Committee shall be responsible for facilitating all the approvals, permissions, name changes, transfers, etc necessary for the successful implementation of the approved Scheme. These include obtaining necessary clearances and permissions from SEBI, ROC, NCLT, and Regional Director; officials of the concerned departments of the state government, central government and local bodies, etc.
- c. The Monitoring Committee shall comprise of the following persons:
- i. Liquidator/ Resolution Professional
 - ii. Shri N Jayamurugan, Nominee of Proposer
 - iii. Shri Bimalendra Mishra, Nominee of Proposer
 - iv. Shri R Anbalagan, Nominee of Proposer



- v. 3 Nominees of the Committee of Creditors/ Stakeholders Committee (Two Secured Financial Creditor and One Unsecured Financial Creditor)

The Proposer shall be at liberty to nominate any other person in place of its members to be a part of the Monitoring Committee.

- d. The business of the Corporate Debtor on a going concern basis, to the extent permissible in law, shall be carried out in the sole discretion of the Proposer and as such, the Monitoring Committee shall not have any role in the day-to-day affairs of the Proposer and the overall business decisions of the Proposer.
- e. It is hereby clarified that the scope of the monitoring committee shall be limited to the supervision of the payments to be made under the Scheme and does not extend to any matter, regarding the management of affairs of the Proposer/ the Corporate Debtor, as it may exist, post the approval of the Scheme.
- f. Subject to the aforesaid clauses, the Monitoring Committee shall be responsible for providing regular updates to all the financial creditors and other stakeholders in this Scheme.
- g. The Monitoring Committee shall be responsible to carry out all post-approval actions, in order to ensure smooth transfer of all assets, including transfer of licenses to the Proposer.
- h. The Monitoring Committee shall cease to exist, post the completion of all obligations under this Scheme, subject to the satisfaction of the Proposer.



Sr. No.	Activity	Timeline (days)
Part I – Approval Process of the Proposed Scheme		
1	Presentation of the Scheme to the Liquidator	X
2	Application to NCLT for Conduct of Meeting of Creditors (CA Stage)	X+15
3	Order of Hon'ble NCLT at CA Stage	X+45 (Y)
4	Application to the NCLT post conduct of the meeting of creditors (CP Stage)	Y + 40 days
5	Order of the Hon'ble NCLT in the CP Stage	Y + 70 days (Z)
TIMELINES POST APPROVAL OF THE SCHEME BY THE HON'BLE NCLT		
6	CIRP Costs and Liquidation Cost	Z+30 days
7	Unsecured Financial Creditor	Z+30 days
8	Operational creditors (Workmen)	Z+30 days
9	Operational creditors (Employees)	Z+30 days



10	Operational creditors (Govt Dues)	Z+30 days
11	Operational creditors (Others)	Z+30 days
12	Operational Creditors (Cane Farmer Dues)	Z+30 days
13	Secured Financial Creditors (1 st Tranche)	Z+30 days
14	Secured and Unsecured Financial Creditors (2 nd Tranche)	Z+60 days
15	Secured Financial Creditors (3 rd Tranche)	Z+90 days
16	Secured Financial Creditors (4 th Tranche)	Z+120 days

10 RELIEFS AND CONCESSIONS

- 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 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.



PART C - GENERAL TERMS AND CONDITIONS

11 COMPLIANCE WITH SECTION 29A OF THE CODE

The Proposer undertake that as on the date of submission of this Scheme, the Proposer and the persons acting in concert with the Proposer or who is promoter or person in management or control of the Proposer and their connected person are eligible to submit this Scheme in accordance with section 29A of the Code and other provision of Applicable Law. The Proposer has duly submitted an affidavit stating that it is not disqualified under section 29A of the Code and the same is enclosed as **ANNEXURE D** to this Scheme.

However, if any person acting jointly or any person acting in concert with the Proposer or who is promoter or person in management or control of the Proposer and their connected person becomes ineligible to submit a Scheme in accordance with Section 29A of the Code or any other provision of Applicable Law, at any stage before the approval of this Plan by the Committee of Creditors/ Stakeholders Committee/ NCLT ("**Disqualified Person**"), the Resolution Professional/ Liquidator and the CoC/ Stakeholders Committee shall accord a reasonable opportunity, subject to Applicable Law, to the Proposer to disassociate the Disqualified Person from the Scheme such that the ineligibility of the Disqualified Person does not disqualify the Proposer from submitting and/ or pursuing this Scheme.

12 REPRESENTATIONS AND WARRANTIES: Notwithstanding: (i) the generality; and (ii) anything contained in this plan including any assumption made elsewhere in this plan, this plan has been prepared relying on the assumptions set forth herein below:

- i. The details (including admitted amounts) for financial creditors, operational creditors, claims by workmen and employees and claims by



creditors other than financial creditors and operational creditors (including statutory authorities), as provided by the Liquidator are true, correct, complete accurate and not misleading in any respect;

- ii. There are no persons who are creditors of the corporate debtor having the benefit of any 'security interest' (as defined under section 3 (31) of the code) other than those as disclosed by the Liquidator;
- iii. There are no other creditors of the corporate debtor, persons with claims against the corporate debtor or any of its affiliates other than those disclosed by the Liquidator and whose claims form part of the CIRP Costs/Liquidation cost;
- iv. No material adverse effect will occur from the date of submission of the Scheme by the Proposer and until the date of approval of the Scheme by the Hon'ble Adjudicating Authority.
- v. The Proposer, the corporate debtor or any of their affiliates shall not bear any liability to any person in relation to any claim or be responsible for any payments, other than those expressly set forth in the Consideration Clause hereinabove, in case any of the aforementioned assumptions are breached.

These assumptions have been necessitated given the limited information contained in the Information Memorandum.

13 DECLARATION TO THE EFFECT THAT THE SCHEME IS NOT IN CONTRAVENTION OF PROVISIONS OF THE APPLICABLE LAW

In accordance with the requirement of Section 30 (2) (c) of the IBC, the Proposers declare that this Scheme is not in contravention of the provisions of any



Applicable Laws. The Proposers believe that the Scheme is in strict compliance with the Code and the CIRP Regulations. The Proposer declares that neither the Proposer nor any of its related parties has failed to implement or contributed to the failure of implementation of any other Scheme approved by the Adjudicating Authority at any time in the past. Further, the Proposer states as follows:

- i. The Proposer will comply with all the provisions of the Companies Act, 2013 in its normal course of business. Any increase in authorised share capital, issue of shares or any instruments to lenders shall be made in compliance with the tenets of Companies Act, 2013.
- ii. The Proposer will comply with all applicable tax laws of the land from the Effective Date.
- iii. The Proposed Scheme does not have any anti-competitive covenants and does not support any abuse of dominant position. Also, the instant Scheme does not constitute a “combination” under the tenets of the Competition Act, 2002. The transactions under this Scheme shall be in due compliance with the tenets of the said Act.
- iv. The management of the Proposer shall comply with all the applicable labour and other laws of the concerned jurisdictions from the Effective Date in relation to the affairs of the Corporate Debtor post the approval of the Scheme. The Proposer undertakes to comply with the provisions of laws, regulations, procedures for the time being in force. It is hereby clarified that nothing contained in this clause may be interpreted to mean that the Proposer/ Corporate Debtor shall be liable to pay any compensation, allowance, PF, ESI, bonus, gratuity or any other labour dues, including any interest or penalty therein, for any service rendered to the Corporate Debtor prior to the Effective Date.



- v. The Proposed Scheme has been prepared in compliance with the requirements of the IBBI norms and the Code and confirms to such other requirements as may be specified by the IBBI. The Proposer shall also comply with any specific requirement of the IBBI during the implementation of the Plan and submit the closure report with the IBBI on the successful implementation of the proposed plan.

14 CONDITIONS PRECEDENT

The implementation of the Scheme is subject to completion and fulfillment of the following events, to the satisfaction of the Proposers (unless the same are waived by the Proposers):

- i. the Effective Date shall have occurred and there is no order of stay on the operation of any part of the Scheme and there is no order modifying any contents of the Scheme;
- ii. the approval of the Competition Commission, if applicable;
- iii. the approvals / intimations of/to the stock exchanges as required under the Applicable Laws for the implementation of this Scheme; and
- iv. the execution of Definitive Agreements for the implementation of the Scheme, wherever necessary.

15 DEEMED CONSENT AND APPROVALS

The Proposer shall not undertake any corporate restructuring in the form merger, acquisition or take over in the Corporate Debtor until payment of the last tranche due under the Scheme. However, for the implementation of the instant Scheme and for the carrying out of the day to day affairs pertaining to the business of the Corporate Debtor and the Proposer, the consent for carrying out any actions as may be necessary for the business of the Proposer shall be deemed to have been given by all the stakeholders including the Committee of Creditors/ Stakeholders Committee, its members, their assignees, etc.



- i. The giving of instructions to financial institutions maintaining accounts of the corporate debtor for a debit transaction from any such accounts;
- ii. Undertaking any related party transaction;
- iii. Amending any constitutional documents of the corporate debtor;
- iv. Delegating the authority of the monitoring committee to any other person or committee;
- v. Entering into any loan transaction for the benefit of the Corporate Debtor and for such purpose, creating any encumbrance on the assets of the Corporate Debtor.
- vi. Entering, modifying, terminating or waiving of material contracts (including lease deeds) by the corporate debtor;
- vii. Approving any expenditure, whether in the nature of capital expenditure or operational expenditure, except where such expenditure is necessary to maintain the corporate debtor as a going concern;
- viii. Making any change in the management of the corporate debtor;
- ix. Appointing or dismissing or amending any terms of employment of key managerial personnel;
- x. Making changes in the appointment or terms of contract of statutory auditors or internal auditors of the corporate debtor;



- xi. Selling, transferring, merging, demerging, restructuring or encumbering, in any manner, any asset of the corporate debtor or any of its direct and indirect subsidiaries or affiliates;
- xii. Raising any indebtedness;
- xiii. Undertaking any transaction involving the merger, demerger, spin-off, amalgamation or consolidation of the corporate debtor or the business of the corporate debtor;
- xiv. Disposing of or permitting the disposal of shares of any shareholder of the corporate debtor or their nominees;
- xv. Commencing or settling any litigation by or involving the corporate debtor and admitting any new debt or liability;
- xvi. Submission of any application for renewal of permits, consents, approvals, etc of the corporate debtor;
- xvii. Constitution of an internal board of directors, its composition and/or any changes thereto;
- xviii. Any action which has a material effect on the assets of the corporate debtor; and
- xix. Entering into any binding agreement to take any of the foregoing actions with respect to or by the corporate debtor or any amendment to actions already taken.



16 ASSUMPTIONS AND LIMITATIONS

- i. This Scheme has been prepared in accordance with Section 30(1) of the Code and on the basis of the Information Memorandum, the information disclosed to the Proposers on the VDR and information shared by the Resolution Professional prior to the submission of this Scheme. The correctness and completion of the same is not verified by the Proposer including its representatives or advisors. No statement, fact, information (whether current or historical) or opinion contained herein in this Scheme should be construed as certified or representation or warranty, express or implied, of Proposer including its representatives or advisors.
- ii. Notwithstanding: (i) the generality of paragraph 1 above; and (ii) anything contained in this plan including any assumption made elsewhere in this plan, this plan has been prepared relying on the assumptions set forth herein below:
 - a. The details (including admitted amounts) for financial creditors, operational creditors, claims by workmen and employees and claims by creditors other than financial creditors and operational creditors (including statutory authorities), as provided by the resolution professional are true, correct, complete accurate and not misleading in any respect;
 - b. There are no persons who are creditors of the corporate debtor having the benefit of any ' security interest' (as defined under section 3 (31) of the code) other than those as disclosed by the resolution professional;
 - c. There are no other creditors of the corporate debtor, persons with claims against the corporate debtor or any of its affiliates other than those disclosed by the resolution professional and whose claims form part of the CIRP Costs;



- d. All the assets, including movable, immovable, current assets of the Corporate Debtor are realizable and vest with the Corporate Debtor without any demur to the title of the Corporate Debtor, free from any encumbrances whatsoever. It is further assumed that the Resolution Professional shall be able to hand over physical possession of all assets to the Proposer, along with all original documents, within the timeline prescribed under the Scheme.
- e. No material adverse effect will occur from the date of submission of the plan by the Proposer and the Effective Date by the Hon'ble Adjudicating Authority.
- f. None of the Proposer, the corporate debtor or any of their affiliates shall bear any liability to any person in relation to any claim or be responsible for any payments, other than those expressly set forth in **Consideration** above, in case any of the aforementioned assumptions are breached.

These assumptions have been necessitated given the limited information contained in the Information Memorandum.

17 APPLICATION TO THE TRIBUNAL

The Liquidator shall, as may be required, make all necessary applications and / or petitions to the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, under Section 230 to 232 of the Companies Act, 2013 read with applicable Rules for seeking approval of this Scheme.



18 ACT OF GOD/ FORCE MAJEURE

In no event shall the Scheme Proponent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, , accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or; it being understood that the Scheme Proponent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

19 MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to approval of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, the Proposer may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the Proposer to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, may deem fit to approve of, to direct and or impose. The aforesaid powers of the Proposer to give effect to the modification / amendments to the Scheme may be exercised by its Board of Directors or any person authorized in that behalf by the concerned Board of Directors subject to approval of the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable.



20 EVENT OF DEFAULT: Upon occurrence of a default in payment obligations under this Scheme, the stakeholders shall have the right to forfeit all the amounts paid by the Scheme Proponent prior to the default and shall further have the right to take appropriate legal action against the Scheme Proponent, unless the same is cured by the Scheme Proponent. It is clarified that no forfeiture under this clause shall be given effect to, unless a 07-day notice to cure any default is given to the Scheme Proponent. Any payment made with such delay shall carry an interest of 8% per annum, from the date of default to the date of payment.

21 CONDITIONALITY OF THE SCHEME

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

- 21.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of the Company, as may be directed by the Tribunal or any other competent authority, as may be applicable.
- 21.2 The Scheme being sanctioned by the Tribunal or any other competent authority, as may be applicable, under Sections 230 to 232 of the Act and other applicable provisions of the Act.
- 21.3 Certified copies of the Orders of the Tribunal or any other competent authority, as may be applicable under Sections 230 to 232 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Tamil Nadu at Chennai by the Company and the Monitoring Committee.
- 21.4 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, other than as mentioned above in



this Clause, which by law or regulations or otherwise may be necessary for the implementation of this Scheme.

22 BINDING EFFECT

This Scheme once approved by the CoC/ Stakeholders Committee and then the NCLT shall be binding on the Corporate Debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in this Scheme in accordance with Sections 31(1) and 238 of the Code. A certified copy of the approved Scheme shall be conclusive evidence that the Scheme has been duly approved in accordance with Section 31(1) and Section 238 of the Code.

23 GOVERNING LAW

This Scheme and any agreements, documents and instruments executed in connection with the Scheme shall be governed by the laws of India, as amended from time to time.

24 ASSIGNMENT OF INTEREST

On and from the Effective Date till the date of payments being made under this Scheme, any Financial Creditor may assign its rights under this Scheme, subject to the transferee unconditionally agreeing to be bound by the terms of this Scheme. Provided that the relevant Financial Creditor provides a written notice to the Corporate Debtor and the Proposers within 5 business days of such assignment.



25 EFFECT OF THE ORDER OF NCLT

A certified copy of the approved Scheme shall constitute conclusive evidence of the binding nature of the terms and conditions set out in this Scheme in accordance with the terms hereof, including the effects of the Scheme as set out in Part III below.

The mere production and delivery of a certified copy of the approved Scheme shall constitute proof of authority for amendment of any constitutional documents of the Corporate Debtor and change in shareholding of the Corporate Debtor as envisaged in the Scheme.

On and from the Effective Date, the mere production and delivery of a certified copy of the approved Scheme shall constitute proof of the authority to create security over the assets of the Corporate Debtor in terms of this Scheme, give effects to the changes in the books of accounts, change in its loan capital, change in the management of the Corporate Debtor, appointments of key managerial personnel of the Corporate Debtor, removal of the statutory auditor of the Corporate Debtor or revisions in agreements or arrangements to the extent set out in this Scheme, without any further act or deed. The mere production and lodgement of a certified copy of the approved Scheme or a notarially certified copy of the approved Scheme before any court or tribunal or regulator or government or arbitral tribunal or any administrative authority or any other authority shall be adequate and sufficient for such authorities (or the counter parties to the Corporate Debtor to constitute the revised agreements or arrangements or deemed modification or cancellation or abandonment thereof) to cause the abatement of any cause of action against the Corporate Debtor, or discharge or abatement of any suit or action or claim made in arbitration against the Corporate Debtor, or in any other judicial, quasi-judicial, regulatory, administrative or government proceedings of



whatsoever nature in accordance with the approved Scheme. Any pending or future proceedings against the Corporate Debtor which are contrary to or inconsistent with the terms of the Scheme shall be deemed to be not maintainable or to have been terminated and closed upon the production and lodgement of the certified copy of the approved Scheme or a notarially certified copy of the approved Scheme. The certified copy of the approved Scheme shall be posted on the website of the Corporate Debtor.

It is clarified that if any procedural formalities are required to be complied with under applicable law, the Proposers/Corporate Debtor shall take suitable steps to comply with the same.

26 REMOVAL OF DIFFICULTIES

In case of any question or difficulty arising under this Scheme or in the implementation hereof including in the event any approvals are not granted or in case of change in Applicable Law, then notwithstanding anything contained in this Scheme, but without prejudice to the financial proposal set forth in this Scheme with respect to each creditor of the Corporate Debtor (including the quantum of payment or settlement to be made to such creditor and the timeline within which the payment or settlement is to be made), the Proposers, with the approval of the assenting Financial Creditors by simple majority, may agree on suitable revisions to the acquisition structure (including, the implementation thereof) in compliance with Applicable Law, to implement the Scheme.

27 BASIS OF PREPARATION

This Scheme has been prepared in accordance with section 230 of the Companies Act, 2013 r/w with the provisions of the Insolvency and Bankruptcy Code, 2016 and on the basis of the Information Memorandum,



the information disclosed to the Proposers on the VDR, information shared by the Resolution Professional and the data as in the IBBI website prior to the submission of this Scheme. The correctness and completion of the same is not verified by the Proposer including its representatives or advisors. No statement, fact, information (whether current or historical) or opinion contained herein in this Scheme should be construed as certified or representation or warranty, express or implied, of Proposer including its representatives or advisors.

28 CONFIDENTIALITY

- (a) The confidentiality obligations set out in the Process Document shall be deemed to be incorporated in this Scheme and be made applicable as regards the Financial Creditors and the Resolution Professional, who shall be bound by the same.
- (b) The Scheme constitutes confidential information and the recipient of this Scheme agree(s) to comply with all Applicable Laws.

29 COMPLETE SCHEME

The Scheme is a complete plan, and must be accepted as a whole. Any part acceptance, negotiation or modification of the Scheme will be valid only if accepted by the Proposers in writing.

Upon the Scheme receiving the approval of the NCLT, in the event of any inconsistency between the terms set out in the Scheme as approved by the NCLT and the terms set out in any agreement, documents, arrangement executed between the Company / its guarantors/ security providers/ existing promoters / directors/ employees and any of its creditors, the terms set out in the approved Scheme shall prevail to the extent of such inconsistency.



In the event of any inconsistency between the provisions of the Scheme and the Process Document (including any non-inclusion of terms stipulated in the Process Document), the provisions of the Scheme shall prevail to the extent of such inconsistency.

The Proposers shall not be liable to comply with this Scheme in the event the terms of this Scheme are revised or the total financial payout proposed in this Scheme (by the Proposers and the Corporate Debtor) is increased by the CoC/ Stakeholders Committee or any adjudicating authority or appellate authority. The finality of the total financial payout forms a critical component of this Scheme and the Proposers and/or the Corporate Debtor shall under no circumstances be required to pay any amount in excess of total financial payout as provided under this Scheme.

30 FAILURE AND CONSEQUENCES

This Scheme shall fail in the following cases, unless otherwise agreed to in writing by the Proposers:

- a) Occurrence of a Material Adverse Change at any time prior to the Effective Date;
- b) if another Scheme is approved by the CoC/ Stakeholders Committee, provided that, at the option of the Proposers, if for any reason such Scheme is rejected or cancelled or it is decided by the CoC/ Stakeholders Committee to reconsider this Scheme, the Proposers may, at their option, agree to the Scheme being once again considered by the CoC/ Stakeholders Committee.
- c) If the Scheme fails in the manner set out herein, it shall stand revoked, cancelled and be of no effect and null and void. Notwithstanding anything



contained in this Scheme or any other document or instrument, if the Scheme fails as set out above, the Proposers shall not be liable to make any payments to any persons, including to the creditors of the Corporate Debtor or under any guarantee or the Performance Guarantee provided by, or on behalf of the Proposers, under contract, equity or otherwise.

- d) The Proposers explicitly reserve the right to renegotiate the terms of the Scheme with the CoC/ Stakeholders Committee, including but not limited to the financial proposal, in the event of any breach of assumptions basis which the Scheme has been prepared by the Proposers.

31 NO ACTION BY STAKEHOLDERS

Other than in relation to breach of terms of Scheme by the Proposers, pending the occurrence of the Effective Date, no creditor or any other stakeholder of the Corporate Debtor shall be entitled to take, initiate or continue any steps or proceedings against the Company or its assets (whether by way of demand, legal proceedings, alternative determination process (including arbitration or an expert determination process), the levying of distress, execution of judgment or otherwise) in any jurisdiction whatsoever for the purpose of obtaining payment of any Liability, or for the purpose of placing the Company into liquidation or any analogous proceedings in respect of any Liability pertaining to the period prior to the Effective Date.



In order to ensure successful implementation of the Scheme, the Corporate Debtor and its affairs need to be protected from any Adverse Actions. Accordingly, on and from the Effective Date, by order of the NCLT sanctioning this Scheme, a restraint on, and prohibition of, all Adverse Actions shall be deemed to be declared until the Effective Date in respect of any Liability pertaining to the period prior to the Effective Date. All **stakeholders shall be** bound by the provisions of this Scheme and such restraint and prohibition.

32 CURRENCY OF PAYMENT

- (i) All payments proposed to be made pursuant to this Scheme will be in Indian Rupees (₹ / INR).
- (ii) Any amount that is not denominated in Indian rupees will be converted into Indian rupees based on the official exchange rate specified on RBI's website at the close of business as on the Insolvency Commencement Date.

33 CONFIRMATION OF INFORMATION PROVIDED

The Proposers confirm and undertake that every information and record provided in connection with or in the Scheme is true and correct to the best of its knowledge, and discovery of false information and record at any time will render the Proposers ineligible to continue with the Scheme process of the Company, entitle the Resolution Professional and the CoC/ Stakeholders Committee to forfeit any refundable deposit and attract penal action under the Code.



34 CORPORATE ACTIONS

The Corporate Debtor, pursuant to the provisions of this Scheme and the authority contained herein, shall cause its officers to take steps for implementation of the provisions of the Scheme, which inter alia include (i) execution of appropriate loan agreements, debenture documents, modifications of previous documents for creating security and filing of appropriate forms under the Applicable Laws with the relevant Governmental Authorities; (ii) issuance of shares and instruments as provided in this Scheme; and (iii) other compliances as per the Applicable Law. The Corporate Debtor shall file the order of the NCLT approving this Scheme with the Registrar of Companies, Ministry of Corporate Affairs, or any other relevant Governmental Authority and all other stakeholders, as may be required, instead of resolution of board or the shareholders of the Corporate Debtor, that were otherwise required for actions that are affected through an order of the NCLT approving this Scheme, and that shall be sufficient compliance by the Corporate Debtor. It is clarified that all the actions undertaken towards the implementation of this Scheme shall automatically take effect on the Effective Date without the requirement of obtaining any approval from the shareholders / members of the Corporate Debtor and without any further act, deed or action. Subject to the above, the Monitoring Committee, Corporate Debtor and the Proposer, as applicable, shall take appropriate corporate actions necessary for implementation of all the provisions of this Scheme, including: (i) filing of appropriate documents or forms with relevant regulatory authorities, (ii) issuance of shares and instruments as provided in the Scheme, and (iii) other compliances as per the Applicable Law.

35 INDEMNITY



The Proposer confirms that the Resolution Professional and his team, Committee of Creditors/ Stakeholders Committee will get indemnity in the Scheme for all acts done in good faith. The indemnity will survive the CIRP Period.

36 RIGHT TO RECEIVABLES

Nothing in this Scheme shall affect the rights of the Corporate Debtor to recover any amounts, whether contingent, matured, crystallised or otherwise, due to the Corporate Debtor from any third party including any Related Parties of the Corporate Debtor and/or any benefit which is or may be available to the Corporate Debtor (including but not limited to carry forward of losses / unabsorbed depreciation as claimed in the income tax returns filed by the Corporate Debtor) without any condition or set off and there shall be no set off of any such amounts recoverable by or benefit so made available to the Corporate Debtor against any amount paid by or any liability (present or future) of the Corporate Debtor or any liability discharged, satisfied or extinguished pursuant to this Scheme. The mere late filing of returns shall not disentitled the proposer / corporate debtor from the benefit of this class.

37 CONFLICT

In the event of any repugnancy or inconsistency between this Scheme and any other documents including the RFRP, the provisions contained in this Scheme shall prevail for all purposes and to all intents.

38 TDS OBLIGATION

In case there is any obligation on the Corporate Debtor / Proposer / SPV to deduct or withhold any Tax out of any payment proposed to be made under the terms of this Scheme, then the Corporate Debtor / Proposer / SPV shall



deduct or withhold such Tax as per the then Applicable Law on the Effective Date or when such payments are being made, whichever is later.

39 GOING CONCERN

The Corporate Debtor shall continue as a going concern and operate in its normal course of business upon implementation of the Scheme along with renewed licenses.

40 COOPERATION BY FINANCIAL CREDITORS

In the event any proceedings are instituted against the Corporate Debtor or the Proposer or the CoC/ Stakeholders Committee or the Resolution Professional/Liquidator opposing the approval of the Scheme or seeking to prevent its implementation, the Financial Creditors of the Corporate Debtor who have approved this Scheme shall support the Proposer for the approval of the Scheme and shall object to any opposition to such Scheme.

41 FURTHER ASSURANCE

As the Scheme shall be binding on the Corporate Debtor's employees, members, creditors, guarantors and other stakeholders involved in this Scheme and/ or otherwise concerned or connected with the Corporate Debtor after the approval of the Scheme by the NCLT, all such persons including the Resolution Professional, creditors and members shall use their best efforts to do or cause to be done, such further acts, deeds, matters and things and execute such further documents as may be reasonably required to give full effect to the terms of this Plan in accordance with its terms and conditions, per the Code. If this Scheme cannot be implemented for any reason not attributable to the Proposer, then the Proposer shall have no liability on that account.

DECLARATION



I, R. Anbalagan, S/o K. Raju, having office at 72, Greams Road, Thousand Lights, Chennai – 600 006, am the authorized signatory of the Proposer and I do hereby declare:

- i. I have been authorized to sign the Scheme on behalf of the Proposers herein.
- ii. I have read and understood all the terms and conditions relating to formulation of the Scheme and hereby express my interest in submission of Scheme for the said company.
- iii. Confidential Information of the Corporate Debtor that come to our knowledge or might come to our knowledge during the Insolvency Resolution Process shall not be divulged by us.




Authorised Signatory

ANNEXURE - A

STATEMENT ON TREATMENT OF STAKEHOLDERS UNDER THE SCHEME

The Proposer herein submits that the Scheme submitted by it is in accordance with law and is in due compliance with all the norms including the tenets of the Insolvency and Bankruptcy Code, 2016, Companies Act, 2013 and the Regulations made thereunder. The Scheme has extensively dealt with the interest of all the stakeholders, including financial creditors, operational creditors, other creditors, government agencies, subsidiary companies, shareholders, subscribers of any securities, etc. A brief statement regarding the treatment rendered to such stakeholders is made herein below, which statement is without prejudice to anything contained in the Scheme submitted by this Applicant.

1. **CIRP/ Liquidation Cost** – A sum of Rs. 8,28,68,175/- (**Rupees Eight Crores Twenty Eight Lakhs Sixty Eight Thousand One Hundred and Seventy Five Only**), shall be paid within **30 days** from the Date of Approval of the Scheme. 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.
2. **Workman Dues (Operational Creditors):** The Proposer proposes to pay an aggregate sum of Rs. 73,48,608/- (**Rupees Seventy Three Lakhs Forty Eight Thousand Six Hundred and Eight Only**) constituting 9.48% (approx) of the admitted claims, as full and final settlement of all dues to the operational



creditors (workmen Dues) within 30 days from the Date of Approval of the Scheme. These monies includes any dues including statutory dues, such as wages, PF, ESI, gratuity, bonus, compensation, allowances, etc

3. **Employee Dues (Operational Creditors):** The Proposer proposes to pay an aggregate sum of **Rs. 10,78,908/-** (Rupees Ten Lakhs Seventy Eight Thousand Nine Hundred and Eight Only), constituting 5% (approx.) of the admitted claims, as full and final settlement of all dues to the operational creditors (workmen Dues) within 30 days from the Date of Approval of the Scheme. This monies includes any dues including statutory dues, such as wages, PF, ESI, gratuity, bonus, compensation, allowances, etc.
4. **GOVERNMENT DUES (OPERATIONAL CREDITORS):** The Proposer proposes to pay an aggregate sum of **Rs. 4,66,59,541/-** (**Rupees Four Crore Sixty Six Lakhs Fifty Nine Thousand Five Hundred and Forty One Only**), constituting 5% (approx.) of the admitted claims, as full and final settlement of all dues to the operational creditors within **30 days** from the date of approval of the Scheme.

Out of the government dues admitted, a sum of Rs 4,23,49,958/- (Rupees Four Crores Twenty Three Lakhs Forty Nine Thousand Nine Hundred and Fifty Eight Only) is claimed by the PF Department. In the interest of the workmen and employees, a sum **Rs 4,23,49,958/-** (**Rupees Four Crores Twenty Three Lakhs Forty Nine Thousand Nine Hundred and Fifty Eight Only**) is paid in full to the PF Department. The remaining sum of **Rs. 43,09,583/-** (**Rupees Forty Three Lakhs Nine Thousand Five Hundred and Eighty Three only**) shall be distributed pro-rata amongst other creditors falling with the class of operational creditors (Government Dues).

5. **OPERATIONAL CREDITORS (OTHER THAN WORKMAN DUES, EMPLOYEE DUES, GOVERNMENT DUES):** The Proposer proposes to pay an aggregate sum of **Rs. 19,77,202/-** (**Rupees Nineteen Lakhs Seventy**



Seven Thousand Two Hundred and Two Only), constituting 5 % (approx.) of the admitted claim, as full and final settlement of all dues to the operational creditors (Other Dues) within 30 days from the date of Approval of the Scheme.

6. DUES TO OTHER CREDITORS, OTHER THAN FINANCIAL CREDITORS AND OPERATIONAL CREDITOR (CANE FARMERS):

The Proposer proposes to pay an aggregate sum of **Rs. 29,43,67,131/- (Rupees Twenty Nine Crores Forty Three Lakhs Sixty Seven Thousand One Hundred and Thirty One Only)**, constituting 80.06% of the admitted claim, as full and final settlement of all dues to the cane farmers within 30 days from the Date of Approval of the Scheme.

7. SECURED FINANCIAL CREDITORS: The Proposer proposes to pay an aggregate sum of **Rs.130,00,41,122/- (Rupees One Hundred and Thirty Crores Forty One Thousand One Hundred and Twenty Two Only)**, constituting 9.48% of the admitted claims, as full and final settlement of all dues to the financial creditors. The schedule for payment of the said sum will be as follows:

- i. **Rs. 20,00,00,000/- (Rupees Twenty Crores Only)** within 30 days from the Approval of the Scheme by the Hon'ble NCLT.
- ii. **Rs. 37,54,39,446/- (Rupees Thirty Seven Crores Fifty Four Lakhs Thirty Nine Thousand Four Hundred and Forty Six only)** within 60 days from the Approval of the Scheme by the Hon'ble NCLT.
- iii. **Rs. 37,54,39,446/- (Rupees Thirty Seven Crores Fifty Four Lakhs Thirty Nine Thousand Four Hundred and Forty Six only)**



within 90 days from the Approval of the Scheme by the Hon'ble NCLT.

- iv. Rs. 34,91,62,230/- (Rupees Thirty Four Crores Ninety One Lakhs Sixty Two Thousand Two Hundred and Thirty only) within 120 days from the Approval of the Scheme by the Hon'ble NCLT.

It is understood that there are certain contingent receivables on account of certain Identified Assets, in the Corporate Debtor, in respect of which, the Stakeholders Consultation Committee seeks to realise independently, for which, they seek to create a trust and have the following items along with all corresponding liabilities associated with the Identified Assets to the trust to be created. It is hereby clarified that nothing contained in this Scheme or any other documents shall be construed as creating or transferring or making either the Corporate Debtor or the Scheme Proponent liable for any liability that may arise out of or in connection with such Identified Assets. Such Identified Assets are considered to be outside the Liquidation Estate and all liabilities arising out of and in connection with such Identified Assets are considered to be outside the purview of this Scheme and such liabilities shall be dealt with by such Trust created by the Stakeholders Consultation Committee only, with no liability whatsoever to the Corporate Debtor and the Scheme Proponent.

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.



8. **Unsecured Financial Creditors** - As per the list of creditors annexed to the Information Memorandum, the Resolution Professional/ Liquidator has admitted claims of Unsecured Financial Creditors aggregating to Rs. 132,51,86,256/- (Rupees One Hundred and Thirty Two Crores Fifty one Lakhs Eighty Six Thousand Two Hundred and Fifty Six Only). The Proposer proposes to pay an aggregate sum of Rs. **6,62,59,313/-** (Rupees Six Crores Sixty Two Lakhs Fifty Nine Thousand Three Hundred and Thirteen Only). The schedule for payment of the said sum will be as follows:

iii. Rs. **3,31,29,657/-** (Rupees Three Crores Thirty One Lakhs Twenty Nine Thousand Six Hundred and Fifty Seven Only) within 30 days from the Approval of the Scheme by the Hon'ble NCLT.

iv. Rs. **3,31,29,656/-** (Rupees Three Crores Thirty One Lakhs Twenty Nine Thousand Six Hundred and Fifty Six Only) within 60 days from the Approval of the Scheme by the Hon'ble NCLT.

9. **Shareholders** – The entire shareholding shall be extinguished for nil consideration. Fresh shares shall be issued in favour of the Proposer and its nominees as per the tenets of the Scheme.

10. **Extinguishment of All Other Liabilities:** It is hereby unequivocally clarified that no monies whatsoever, whether claimed or unclaimed, crystallised or uncrystallised, whether reduced to in the form of a decree or otherwise by any order of court or authority, shall be payable to any secured financial creditor, under this Scheme. Monies due from the Corporate Debtor, apart from those which have been admitted by the Resolution Professional/ Liquidator and set out in the information memorandum, shall stand extinguished and shall no



longer be the liability of the Corporate Debtor, after the approval of the Scheme.

11. Priority to Dissenting Financial Creditors: Payment of monies inter-se financial creditors shall be made in priority to dissenting financial creditors, before any disbursement of funds to assenting financial creditors.

12. Right of Financial Creditors to Proceed Against Personal Guarantors

Preserved: The 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.

13. FURTHER INVESTMENT & WORKING CAPITAL: The Proposer shall make necessary additional investments and infuse necessary working capital to operationalize, revive and run the business of the Corporate Debtor as a going concern. The Proposer reserves the right to infuse such further working capital/investment as may be necessary to operationalize to run the business of the Corporate Debtor. The Proposer shall be free to apply the funds induced under this clause, for enhancement of machinery, upgradations, etc, as it may deem fit. The discretion and decision of the Proposer in this regard is final and binding on all parties.

14. EXTINGUISHMENT AND RESTRICTION OF LIABILITY:

Notwithstanding anything contained in any other clause of this Scheme, no



monies, other than those payable as set out hereinabove under this Scheme, shall be payable to any person, whatsoever, by the Proposer herein.

15. **LIMITATION OF LIABILITY TOWARDS MONIES PAYABLE UNDER THE SCHEME:** The Proposer makes it clear that the total monies payable under this Scheme shall be INR 180,06,00,000 /- (Rupees One Hundred and Eighty Crores and Six Lakhs Only) and as such, this includes the monies payable to the Monitoring Committee/ Monitoring Agent, for the purpose of implementing this Scheme. The table of monies paid under this Scheme is set out herein as **Annexure B**.

Dated at Chennai this 8th Day of February, 2023




PROPOSER

ANNEXURE -B

BASED ON LIST OF STAKEHOLDERS AS PER UPDATATION EMAIL RECEIVED DATED 24th NOVEMBER, 2022

S.NO	NATURE OF CLAIMANT	NO. OF CLAIMS	AMOUNT CLAIMED	NO. OF CLAIMS	AMOUNT ADMITTED	% OF AMOUNT PROPOSED TO BE PAID	AMOUNT PROPOSED TO BE PAID	AMOUNT TO BE PAID WITHIN 30 DAYS FROM APPROVAL OF SCHEME BY NCLT	AMOUNT TO BE PAID WITHIN 60 DAYS FROM APPROVAL OF SCHEME BY NCLT	AMOUNT TO BE PAID WITHIN 90 DAYS FROM APPROVAL OF SCHEME BY NCLT	AMOUNT TO BE PAID WITHIN 120 DAYS FROM APPROVAL OF SCHEME BY NCLT
1	Unpaid insolvency resolution process costs	-	63037989.00	0	₹ 6,30,37,989.00	100%	6,30,37,989	6,30,37,989	-	-	-
2	Liquidation costs incurred till date	-	2330186.00	0	₹ 1,98,30,186.00	100%	1,98,30,186	1,98,30,186	subject to actuals)	-	-
3	Secured Financial Creditors belonging to any class of creditors	11	14089155123.00	10	₹ 13,72,03,97,739.00	9.48%	1,30,00,41,122	20,00,00,000	37,54,39,446	37,54,39,446	34,91,62,230
4	Unsecured Financial Creditors belonging to any class of creditors	3	1366544848.00	3	₹ 1,32,51,86,256.00	5.00%	6,62,59,313	3,31,29,657	3,31,29,656	-	-
5	Operational Creditors (Workmen)	437	437743701.00	437	₹ 7,75,16,967.00	9.48%	73,48,608	73,48,608	-	-	-
6	Operational Creditors (Employees)	82	98618265.00	63	₹ 2,15,78,154.00	5.00%	10,78,908	10,78,908	-	-	-
7	Operational creditors (Government Dues)	7	933190829.00	7	₹ 93,31,90,829.00	5.00%	4,66,59,541	4,66,59,541	-	-	-
8	Operational Creditors (other than workmen and Employees and Government Dues)										
	i) Operational Creditors other than workmen and employees and govt. dues	36	391833935.00	31	₹ 3,95,44,033.00	5.00%	19,77,202	19,77,202	-	-	-
	ii) Dues to Cane Farmers	8,655	367687604.00	8,655	₹ 36,76,87,604.00	80.06%	29,43,67,131	29,43,67,131	-	-	-
9	Other Stakeholders, if any (other than financial creditors and operational creditors)	2	891507368.00	2	₹ 17,53,20,320.00						
TOTAL		9,233	₹ 18,64,16,49,848.00	9,208	₹ 16,74,32,90,077.00		1,80,06,00,000	66,74,29,222	40,85,69,102	37,54,39,446	34,91,62,230



Annexure – NOC

NO OBJECTION FOR EXCLUSION OF CERTAIN IDENTIFIED ASSETS

This is in reference to our detailed discussions held on exclusion of following **Identified Assets** from the ambit of Proposed Scheme of Compromise or Arrangement Under Section 230 of The Companies Act, 2013 read with Applicable provisions of the rules made there under Companies Act 2013 in line with Section 33 of the Insolvency and Bankruptcy Code 2016 and Regulation 2B of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016.

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 following treatment has been proposed by the Liquidator in respect of the above matters

- a. Creation of Trust for assignment of the claims and receivables under the above Identified Assets.
- b. All the above Identified Assets together with corresponding liabilities, future liability and contingency thereon shall be move to Trust be created for the purpose of trust. The said assets shall be excluded from balance sheet of Corporate Debtor by Liquidator in consultation with SCC upon date of creation of Trust or Balance Sheet as prepared on effective date /cut off date i.e. the date of transfer of assets or approval of above said scheme by Hon'ble Adjudicating Authority, NCLT, whichever is earlier or applicable with the approval of Hon'ble Adjudicating Authority.
- c. All the above identified assets are proposed to be held in the name of trust on "as is whereis"; "as is what is" and "whatever there is basis".
- d. All the corresponding liabilities against the above identified assets have also been identified by the undersigned. To be clear that no liability of the same will fall within the scope of the scheme and the corresponding identified liabilities shall also stand excluded from the Liabilities / Claims admitted by the Liquidator.



- e. The Scheme proposer shall issue a NOC for carving out the above identified assets along with its identified corresponding liabilities from the ambit of Proposed Scheme of Compromise or Arrangement u/s 230 of Companies Act 2013 read with of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016.
- f. It is clarified here that nothing in the NOC shall be deemed to take away any other right that comes to the Scheme Proponent under the Scheme submitted.
- g. All future expenses in relation to ongoing litigations in relation to above identified Assets shall be borne by the Trust and there shall be no liability on the Scheme Proponent for the same except expenses already incurred which have been part of CIRP / Liquidation Cost and approved by the CoC/SCC (or incurred till the effective date i.e. date of Order by NCLT on the scheme). All costs associated with the Trust shall be born by beneficiary of Trust. No Expenses or Liability or obligations, in relation to trust and the Identified Assets moved thereon, shall be the responsibility of the Corporate Debtor/ Scheme Proponent.
- h. The above identified matters shall be beyond the scope of the Monitoring Committee also and shall be dealt with separately, by the Trust and Trustees.
- i. Tax liabilities and other liabilities, if any, emanating from these claims that are assigned shall be met by the party as per directions of the Adjudicating Authority and the Trust shall keep the Scheme Proponent indemnified in respect of any liability that may ensue on the CD or the Scheme Proponent.



- j. The company shall be transferred in its existing form i.e. with the Existing CIN number, all other assets – excluding identified assets, (be it Receivables, Stock of Spares, Parts, Other Misc Stock items and other recoverable advances etc), carried forward losses, licenses, etc shall form part of the scheme and shall be transferred to the Scheme proponent on a going concern basis, as proposed under the Scheme.

In respect of the same, it is hereby stated that the Scheme Proponent does not have any objection for the SCC and the Liquidator to exclude the above Identified Assets with corresponding liabilities arising out of or in relation to the same, from the purport of the Scheme for the Corporate Debtor.

Dated at Chennai this 8th Day of February, 2023

