

Resolution Plan Submission Process (RPSP)

1. Introduction

- a) Vardhman Industries Ltd (“**Corporate Debtor**”) is a Listed Public Limited Company incorporated on 5th December, 1984 engaged in manufacturing of Galvanized profiles (GP) / Galvanized Corrugated (GC) sheets with manufacturing Plant located at Rajpura , District Patiala, Punjab. Company at present is manufacturing color coated coil and sheet products.
- b) The Corporate Debtor is presently under Corporate Insolvency Resolution Process (CIRP) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC), pursuant to the order of Honorable National Company Law Tribunal, New Delhi, Bench III (NCLT) order dated 16.11.2017. Mr. Manoj Maheshwari was appointed as Interim resolution Professional (IRP). Subsequently, Committee of Creditors decided to replace IRP and Mr. Ashok Kumar Gulla was proposed as Resolution Professional. NCLT vide order dated 17.01.2017 appointed Mr. Ashok Kumar Gulla as Resolution Professional (RP).
- c) The Committee of Creditors (CoC) through Resolution Professional (‘RP’) is in the process of identifying Resolution Applicant(s) for Vardhman Industries Limited. Hence, RP on behalf of CoC invites Expression of Interest (“EOI”) from Investors/ Consortium of Investors/ Financial Institutions/ investment companies/ NBFCs/ ARC as Potential Resolution Applicants having adequate financial capability to submit Resolution Plan for Vardhman Industries Limited (Corporate Debtor) under the CIRP in accordance with the provisions of IBC. Accordingly, Advertisement was released in Business Standard, New Delhi & Chandigarh edition dated 26th February, 2018 for seeking EOI from Potential Resolution Applicants for putting Resolution Plan. It is also displayed on Corporate Debtor website www.vardhmanindus.com. Accordingly, upon instructions of the CoC, this Resolution Plan Submission Process (RPSP) is being released to the potential Resolution Applicants in order to enable them to submit Resolution Plans for the Corporate Debtor.
- d) Upon selection of the Successful Resolution Applicant in accordance with the terms of this RPSP, the plan submitted by the Successful Resolution Applicant will have to be further approved by the Adjudicating Authority, and will be binding on all the stakeholders in relation to the Corporate Debtor only after the approval of the Adjudicating Authority. The Successful Resolution Applicant shall enter into Definitive Agreements as may be directed by the CoC/RP, required to implement the Approved Resolution Plan.

2. Eligibility for submission of EOI by Resolution Applicant

The basic Criteria for any applicants to approach Resolution Professional of the Corporate debtor for the purpose of participation in the process are as follows:

- Minimum Consolidated Net-Worth of INR 5 Cr (Rupees Five Crores) for Investor(s)/ Company/LLP/Partnership Firms in the immediate preceding completed financial year.
- Minimum Asset under Management (AUM) or funds deployed of INR 200 Cr in the immediately preceding completed financial year for a Financial Institutions/investment companies/PE Investors/NBFCs/ARC.

- Consortium Potential Resolution Applicants must also satisfy the above mention eligibility criteria pertaining to Net worth/AUM/loan portfolio as applicable on consolidated basis.

3. Definition of resolution Applicant

Further, as per section 5, clause 25 of the IB Code, 2016; the **Resolution Applicant(s)** shall mean a person, who individually or jointly with any other person, submits a Resolution Plan to the Resolution Professional pursuant to the invitation made under Section 25 (2) (h) of the Insolvency and Bankruptcy Code 2016. As per Section 29A, a person **shall not be eligible** to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person

- (a) is an undischarged insolvent;
- (b) is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949;
- (c) has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor
Provided that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to non-performing asset accounts before submission of resolution plan;
- (d) has been convicted for any offence punishable with imprisonment for two years;
- (e) is disqualified to act as a director under the Companies Act, 2013;
- (f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;
- (g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code;
- (h) has executed an enforceable guarantee in favor of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code;
- (i) has been subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or
- (j) has a connected person not eligible under clauses (a) to (i). Explanation.—For the purposes of this clause, the expression "connected person" means—(i) any person who is the promoter or in the management or control of the resolution applicant; or (ii) any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or (iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii)

Provided that nothing in clause (iii) of this *Explanation* shall apply to— (A) a scheduled bank; or (B) an asset reconstruction company registered with the Reserve Bank of India under section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; or (C) an Alternate Investment Fund registered with the Securities and Exchange Board of India.

4. Submission of details by Resolution Applicant:

As per sub-regulation (3) of regulation (38) of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016, a resolution plan shall contain details of the resolution applicant and other connected persons to enable the CoC to assess the credibility of such applicant and other connected persons in order to take a prudent decision while considering the resolution plan for its approval.

Explanation: For the purposes of this sub-regulation,- (i) 'details' shall include the following in respect of the resolution applicant and other connected person, namely:- (a) identity; (b) conviction for any offence, if any, during the preceding five years; (c) criminal proceedings pending, if any; (d) disqualification, if any, under Companies Act, 2013, to act as a director; (e) identification as a willful defaulter, if any, by any bank or financial institution or consortium thereof in accordance with the guidelines of the Reserve Bank of India; (f) debarment, if any, from accessing to, or trading in, securities markets under any order or directions of the Securities and Exchange Board of India; and (g) transactions, if any, with the corporate debtor in the preceding two years.

5. Format for submission of Expression of interest (EOI):

A format for submission of EOI containing compliance of Eligibility Norms as per Section 29A of the Code and as per sub-regulation (3) of regulation (38) of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and further eligibility benchmarks as stipulated in Para 2 above. The EOI to be submitted via email at both emails ashok.gulla@rbsa.in and ip.vardhman@rbsa.in on or before 12.03.2018. Prospective Resolution Applicants may also submit by post or hand delivery copies of the EOI, in addition to the email as foresaid to Mr. Ashok Kumar Gulla, Resolution Professional C/o RBSA Restructuring Advisors LLP, 9C, 9th Floor, Hansalaya Building, 15 Barakhamba Road, Connaught Place, New Delhi-110001 by post **on or before 12.03.2018**.

6. Resolution Plan Submission Process (RPSP)

- a) This RPSP is being provided / released on behalf of the Resolution Professional and is also been uploaded on the website of the Corporate Debtor, i.e. www.vardhmanindus.com.
- b) After Receipt of EOI by Resolution Professional, short listing of Resolution Applicant will done by Resolution Professional on the basis of the eligibility criteria as mentioned above in Para 2.
- c) The short listed Resolution Applicants will be intimated separately on **12.03.2018** through email/post to submit Resolution Plan as per RPSP.

- d) The short listed Resolution Applicant(s) shall be provided access to the electronic data room (“**Data Room**”) established and maintained by the Corporate Debtor acting through the Resolution Professional. The due diligence of the business and operations of Corporate Debtor will be provided to the shortlisted Resolution Applicants through access to data room subject to each of the following.
- i. Receipt of the amount of INR 25,000 as Non-refundable amount as demand draft favoring SBI A/c, Vardhman Industries Limited or as direct credit to **SBI A/c No. 0000030037466410**, IFS Code SBIN0004046, maintained under name of Vardhman Industries Limited at G.T. Road, Sahnewal, Ludhiana-141003.
 - ii. Confidentiality agreement.
- e) The short listed Resolution Applicant(s) subject to the fulfillment of the conditions as defined in clause (i) and (ii) above shall be provided with Information Memorandum, visit to the Corporate Debtor’s plant and access to the information in the Data Room until the Resolution Plan Submission Date.
- f) As per Regulation 36A of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2018 the details of the Evaluation Matrix is given separately and uploaded in Company’s’ website www.vardhmanindus.com .
- g) A Resolution Applicant should submit the Resolution Plan on or prior to 1800 hours IST on **12.04.2018 (“Resolution Plan Submission Date”)**. The Resolution Plan should be submitted in a single sealed envelope containing all requisite forms, documents, authorizations and transcript in the following way: (**Resolution Plan**) – “**Confidential**” **Superscript** : “Resolution Plan for resolution of Vardhman Industries Limited ” Name of the Resolution Applicant : _____ and to be addressed to **Mr. Ashok Kumar Gulla, Resolution Professional C/o RBSA Restructuring Advisors LLP, 9C, 9th Floor, Hansalaya Building, 15 Barakhamba Road, Connaught Place, New Delhi-110001. The Resolution Plan to be submitted as per format had given separately.** The Resolution Applicant shall also intimate through email to ashok.gulla@rbsa.in and ip.vardhman@rbsa.in of having submitted Resolution Plan and seek acknowledgment through email.
- h) The Resolution Plans submitted by Resolution Applicants will be evaluated in CoC based on evaluation matrix. All the resolution Applicants and/or their representatives will be given option to give presentation in CoC about their resolution plan.
- i) The access to, and usage of the information in the Data Room by the Resolution Applicant(s) shall be in accordance with following;
- **Confidentiality**
Access to and review of the information, documents contained in the Data Room or received in the course of the due diligence process, including any commercially sensitive information in relation to the Company shall be treated as confidential and shall be subject to the provisions of the Non-Disclosure Agreement and the RPSP
 - **Compliance with law**
The documents and the information set out in the Data Room are confidential in nature and contain commercially sensitive information. The Resolution Applicant shall act in compliance with Applicable Laws, including the rules set out under the Insider Trading Regulations, in

relation to the documents and information set out in the Data Room and/or received by it in the course of the due diligence process.

- **Time Frame**

The Resolution Applicant shall be permitted to use the Data Room for carrying out a due diligence exercise on the Company, as required for the purposes of the Resolution Plan, till the Resolution Plan Submission Date or as decided by the Resolution Professional (acting on the instructions of the CoC)

- **Location and Access Rights**

The Resolution Applicant(s) shall be provided with a login ID to enable access to the Data Room subject to the terms of this RPSP.

Documents contained in the Data Room or as obtained during the due diligence process, shall not be copied without the prior written permission of the Resolution Professional (acting on the instructions of the CoC).

- j) The Resolution Applicant shall not be entitled to receive re-imbusement of the Process Participation Fee and/or any expenses which may have been incurred in preparation of the Resolution Plan for submission and / or for carrying out of due diligence, search of title to the assets and matters incidental thereto or for any purpose in connection with the Resolution Plan.
- k) All envelopes used by the Resolution Applicant, for the purpose of any submission and communication should be adequately sealed, to prevent any interference / tampering, while in transit. If the envelopes are not sealed and marked as instructed above, the Resolution Professional or CoC shall assume no responsibility for the misplacement or premature disclosure of the contents of the Resolution Plan and consequent losses, if any, suffered by the Resolution Applicant.
- l) After the Resolution Plan received in sealed cover are opened in CoC, The Resolution Plan may also be submitted to Resolution Professional in an electronic format through email to ashok.gulla@rbsa.in and ip.vardhman@rbsa.in (which shall include the Resolution Plan along with necessary documents) for easy access to various documents.
- m) A Resolution Applicant is required to submit information in accordance with this RPSP and in compliance with the requirements set out under the IBC and CIRP Regulations and shall sign and date each of the documents in the space provided therein and sign each page of all the documents.
- n) If any Resolution Plan as approved by the CoC and submitted to the Adjudicating Authority is rejected by the Adjudicating Authority, then the Resolution Professional and the CoC shall act in accordance with the instructions/directions issued by the Adjudicating Authority.
- o) A Resolution Plan submitted by a Resolution Applicant shall be irrevocable.
- p) At any time prior to the Resolution Plan Submission Date, the CoC or the Resolution Professional (acting on the instructions of CoC) may, for any reason whatsoever and without assigning any reason, amend, modify or supplement this RPSP by an amendment. The amendment shall be notified by email to the Resolution Applicant(s) and the same shall also be uploaded on the website of Corporate Debtor and in the data room.

- q) As per regulation (37) of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 the resolution plan shall provide for the following as well:
- i. Transfer of all or part of the assets of the corporate debtor to one or more persons;
 - ii. Sale of all or part of the assets whether subject to any security interest or not;
 - iii. The substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;
 - iv. Satisfaction or modification of any security interest;
 - v. Curing or waving of any breach of the terms of any debt due from the corporate debtor;
 - vi. Reduction in the amount payable to the creditors;
 - vii. Issuance of securities to the corporate debtor, for cash, property, securities, or in exchange for claims or interests or other appropriate purpose;
 - viii. Change in portfolio of goods or services produced or rendered by the corporate debtor;
 - ix. Change in technology used by the corporate debtor; and
 - x. Obtaining necessary approvals from the Central and State Governments and other authorities.

7. Terms and Conditions for proposed Transaction

By procuring this RPSP and obtaining access to the Data Room and Information Memorandum, the Resolution Applicant is deemed to have made the following acknowledgements and representations:

- a) The Resolution Applicant is in receipt of critical information including commercially sensitive information relating to the Corporate Debtor and that the Resolution Applicant shall keep all such critical information, including the commercially sensitive information, confidential and shall not disclose or divulge such critical information or commercially sensitive information or Unpublished Price Sensitive Information (UPS), to any person.
- b) The Resolution Applicant shall use such critical information including the commercially sensitive information relating to the Corporate Debtor only for the purpose of preparation and submission of the Resolution Plan, in accordance with the terms of this RPSP.
- c) The Resolution Applicant represents that the Resolution Applicant is in compliance with the requirements set out under the Applicable Laws
- d) The Resolution Applicant represents to Resolution Professional and the CoC that it has the necessary financial resources available for the purpose of the Proposed Transaction, for the Consideration, stated in the Resolution Plan and for any further infusion / contribution into the Company by way of subordinate debt / quasi-equity / equity as indicated in the Resolution Plan in a manner acceptable to CoC.
- e) The shares or assets of the Corporate Debtor shall be acquired, pursuant to the Proposed Transaction, by the Successful Resolution Applicant on an "as is where is" basis. The Resolution Applicant acknowledge that the acquisition of shares or assets of the Corporate Debtor, pursuant to implementation of Approved Resolution Plan, shall be subject to the existing pledges and such other security arrangements as considered satisfactory by the CoC.
- f) The Resolution Applicant acknowledges that neither the Resolution Professional and/or members of the CoC are providing any representations or warranty(ies) regarding the status of

business, business prospects, or assets of the Corporate Debtor and the Resolution Professional, and/or members of the CoC assume no such liability whatsoever in this respect.

- g)** The Resolution Applicant represents to the Corporate Debtor, the Resolution Professional, and the members of the CoC that it has obtained all the requisite corporate authorizations and regulatory approvals required for submission of the Resolution Plan.
- h)** The Resolution Applicant acknowledges that implementation of Approved Resolution Plan may be subject to approvals including approvals from the CoC and the Adjudicating Authority, other regulatory and statutory approvals and the Resolution Applicant shall, as and when required, submit the necessary applications and obtain approvals prior to the Transfer Date.
- i)** The Resolution Applicant acknowledges that it shall pay Consideration in accordance with the provisions of the Insolvency and Bankruptcy Code and the CIRP Regulations and in accordance with the terms concluded as per negotiations between the CoC and the Successful Resolution Applicant, in accordance with the terms and conditions set out in the Definitive Agreements.
- j)** The Resolution Applicant acknowledges that the Resolution Professional would not be held liable in any way for the outcome of the Resolution Plan Process.

8. Mandatory content and terms of Resolution Plan

The Resolution Applicant shall prepare the Resolution Plan in accordance with the requirements of the IBC, the CIRP Regulations and this RPSP. The Resolution Applicant shall mandatorily include the following in the Resolution Plan, as set out in Section 30 of the IBC and Regulation 38 of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016.

- 1)** A resolution plan shall identify specific sources of funds that will be used to pay the –
 - a)** insolvency resolution process costs and provide that the insolvency resolution process cost will be paid in priority to any other creditor;
 - b)** liquidation value due to operational creditors and provide for such payment in priority to any financial creditor which shall in any event be made before the expiry of thirty days after the approval of a resolution plan by the Adjudicating Authority; and
 - c)** liquidation value due to dissenting financial creditors and provide that such payment is made before any recoveries are made by the financial creditors who voted in favour of the resolution plan. These values will be communicated to successful Resolution Applicant after submission of resolution Plan as per sub-regulation (3) of regulation 35 of Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

A Resolution Plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the Corporate Debtor.

- 2)** A resolution plan shall provide:
 - a)** the term of the plan and its implementation schedule;
 - b)** the management and control of the business of the corporate debtor during its term; and
 - c)** adequate means for supervising its implementation.

- 3) A resolution plan shall contain details of the resolution applicant and other connected persons to enable the committee to assess the credibility of such applicant and other connected persons to take a prudent decision while considering the resolution plan for its approval.

Explanation: For the purposes of this sub-regulation,-

- i. 'details' shall include the following in respect of the resolution applicant and other connected person, namely:-
 - (a) identity;
 - (b) conviction for any offence , if any, during the preceding five years;
 - (c) criminal proceedings pending, if any;
 - (d) disqualification, if any, under Companies Act, 2013, to act as a director;
 - (e) identification as a willful defaulter, if any, by any bank or financial institution or consortium thereof in accordance with the guidelines of the Reserve Bank of India;
 - (f) debarment, if any, from accessing to, or trading in, securities markets under any order or directions of the Securities and Exchange Board of India,; and
 - (g) Transactions, if any, with the corporate debtor in the preceding two years.”;
 - ii. the expression 'connected person' means-
 - (a) persons who are promoters or in the management or control of the resolution applicant;
 - (b) persons who will be promoters or in management or control of the business of the corporate debtor during the implementation of resolution plan;
 - (c) Holding company, subsidiary company, associate company and related party of the persons referred to in items (a) and (b).
- 4) The Resolution Plan submitted by the Resolution Applicant shall become the property of the CoC and the Resolution Professional (acting on the instructions of the CoC) and the CoC and the Resolution Professional (acting on the instructions of the CoC) shall have no obligation to return the same to the Resolution Applicant.
- 5) The Resolution Applicant shall be evaluated on the basis of the declarations and / or information and / or documents provided in relevant appendices of this RPSP.
- 6) No change or supplemental information to the Resolution Plan shall be accepted after the Resolution Plan Submission Date.
- 7) No extension of time shall be granted under any circumstances to the Resolution Applicant(s) for submission of the Resolution Plan.

9. Disclaimer

- a) The purpose of this document is to assist the recipient in deciding whether they wish to put forward resolution Plan for **Vardhman Industries Ltd** in accordance with the Insolvency and Bankruptcy Code, 2016 (“IBC”). This document does not constitute or form part of and should not be construed as an offer or invitation for the sale or purchase of securities or any of the businesses or assets described in it or as a prospectus, offering circular or offering

memorandum or an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries or affiliates in any jurisdiction or as an inducement to enter into investment activity.

- b)** Neither this document, the fact of its distribution, nor anything contained herein, should form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment or investment decision whatsoever
- c)** While this information has been prepared in good faith, no representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by the Resolution Professional, its professional advisors, the Company or by any of its officers, employees or agents and/or the Committee of Creditors (defined below) in relation to the accuracy, fairness, authenticity or completeness of this document or any other written or oral information made available to any interested party or its advisers and any such liability is expressly disclaimed.
- d)** All information regarding the past performance of the Company is not a guide for future performance. Forward-looking statements in this RPSP, if any, are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors.
- e)** The recipient acknowledges that it shall not use any information provided herein and/or disclosed pursuant to the terms hereof to cause an undue gain or undue loss to Company and/or any other person and shall comply with the requirements of section 29(2) of the IB Code and Regulation 36 (4) of the CIRP Regulations .
- f)** The recipient shall comply with all applicable laws, including applicable securities laws (including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015) as may be replaced, amended or supplemented from time to time and other applicable laws in relation to insider trading, in respect of all information provided herein and/or disclosed pursuant to the terms hereof.
- g)** Neither the Company, the Committee of Creditors, the Resolution Professional, nor any of the professional advisors, Representatives of the aforementioned persons shall be liable for any damages, whether direct or indirect, incidental, special, or consequential including loss of revenue or loss of profits that may arise from or in connection with the use of this document, or due to participation by the recipient in the Resolution Plan Submission Process (defined below), including for the Resolution Applicant (defined below) whose Resolution Plan (defined below) is not accepted by the Committee of Creditors and/or approved by the Adjudicating Authority (defined below).
- h)** The Committee of Creditors, the Resolution Professional (on the instructions of the Committee of Creditors) and/or the Adjudicating Authority shall have the right, in their sole discretion and at any time, to reject any and all proposals made by or on behalf of any recipient in relation to any transaction with and/or in relation to the Company or any part thereof, to accept any such proposal, to terminate further participation in the investigation and proposal process by, or any discussions or negotiations with, any recipient at any time, to change the procedure under which such transaction process is conducted, to modify the scope of the transaction or the

assets included in the Company and to terminate the transaction process in its entirety, all without notice and any liability therefore.

- i)** This document contains proprietary, and / or legally privileged information. By accepting a copy of this document (whether by receipt of an electronic copy of the RPSP or access to the Data Room (defined below) pursuant to the terms of this RPSP or otherwise (“Acceptance”), the recipient accepts the terms of this disclaimer notice as well, which forms an integral part of this document.
- j)** This RPSP and the Resolution Plan Submission Process shall be governed by, and construed in accordance with, the laws of India and Courts in New Delhi shall have exclusive jurisdiction over all disputes arising under, pursuant to and / or in connection with this RPSP and / or the Resolution Plan Submission Process.
- k)** The Resolution Applicant(s) hereby agrees and releases the Resolution Professional and the members of the CoC, irrevocably, unconditionally, fully and finally, from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and / or performance of any obligations set out under this RPSP, and / or in connection with the Resolution Plan Submission Process, and waives any and all rights and / or claims the Resolution Applicant may have in this respect, whether actual or contingent, whether present or in future.