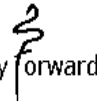


Restructuring & Insolvency Situations in India

Status Update- Volume II



INTEGRATED CAPITAL SERVICES LIMITED

RAAS  way forward

The logo for "way forward" consists of the words "way forward" in a lowercase, sans-serif font. To the right of the text is a stylized graphic element that looks like a vertical line with a curved top and a small loop, resembling a stylized '2' or a path leading forward.

November 2017

- This document is presented solely for the internal use of the recipient to whom it is marked by Aurum Equity Partners LLP (Aurum) and Integrated Capital Services Ltd (ICSL) and cannot be published or disclosed in part or in whole to any third party without the specific written consent of Aurum and ICSL. This document is incomplete without reference to, and should be viewed solely in conjunction with the verbal briefing, as may have been provided, by Aurum and ICSL.
- This document shall be subject to the terms of any Non Disclosure Agreement that may have been entered into between Aurum and ICSL and the recipient to whom it is marked.
- In preparing this document Aurum and ICSL have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from published and public sources and/or provided to it for the purposes of this document. Accordingly, neither Aurum, ICSL nor any of its partners, employees, affiliates, agents or advisors make any representation as to the accuracy, completeness, reasonableness or sufficiency of any of the information contained in this document, and none of them shall be liable for any loss or damage (direct or indirect) suffered as a result of reliance upon any information contained in this document, or any omission of any information from this document and any such liability is expressly disclaimed.
- Aurum and ICSL have developed this document and all concepts, structures, recommendations and analyses are proprietary to Aurum and ICSL and cannot be used without the express written consent of Aurum and ICSL.
- This document has been prepared for preliminary discussion purposes only without prejudice and should not be construed as an offer or invitation to purchase or sell any securities, businesses, or assets of any entity referred to in this document.
- **This deck covers developments in particular for the period 01 October 2017 to 31 October 2017**

S. No.	Section	Page
1.	Restructuring Status Update	4
2.	Key Developments in October 2017	8
3.	RBI's list of Defaulters	13
	- First List of Defaulters	14
	- Second List of Defaulters	17
4.	Annexures	19
	- Cases filed with NCLT in October	20
	- About Aurum + ICSL Consortium	22

SECTION

1

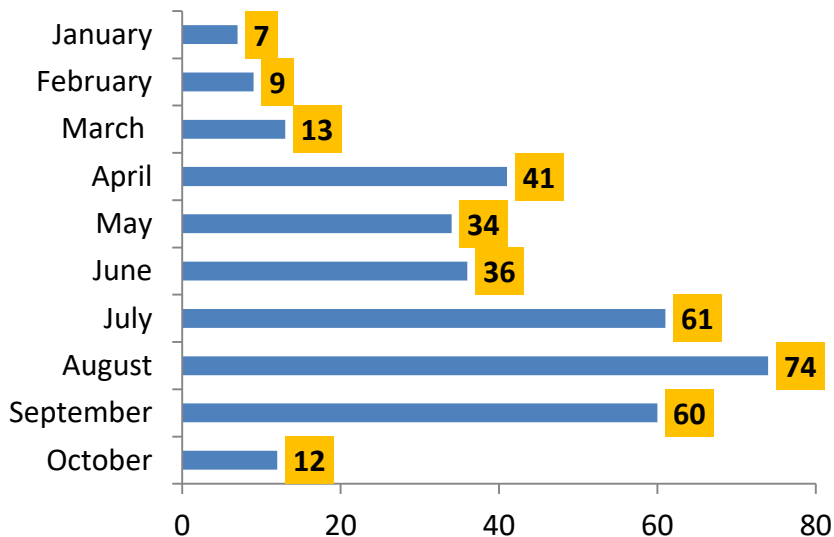
Restructuring Status Update

Quantum of Unique Cases Filed*

As of 31st October 2017

347

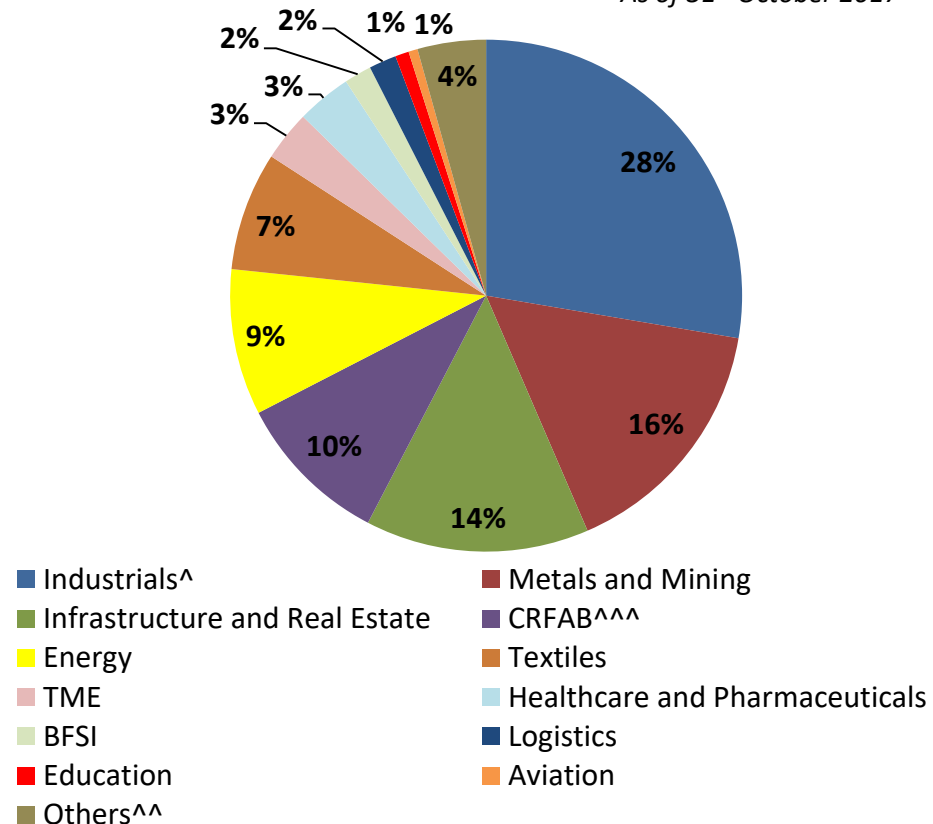
Cases filed with NCLT till date and the number is expected to increase as indicated by the trends below



*Multiple cases against a corporate debtor counted as one

Sector Wise Allocation (by number of cases filed)

As of 31st October 2017



[^]Industrials includes – Chemicals, Cement, Auto and Auto Parts, Machinery, Paper, Valves, Tiles, Mills, Electricals.

^{^^}Others includes – Security Services, Consulting Services, Facility Management, etc.

^{^^^}CRFAB- Consumers, Retails, Food, Agri and Beverages

Industrials, Metals & Mining and Infrastructure & Real Estate sectors account for 58% of the cases filed (by volume)

Key Phases- Resolution Process

Phases	Timeline of the proceedings	Activities to be undertaken
Phase 1 ↓	First 30 days from the date of filing	<ul style="list-style-type: none">▪ Declare moratorium▪ NCLT to appoint interim resolution professional.▪ Public announcement▪ Appoint 2 registered valuers to calculate liquidation value▪ Submission of Proof of claims
Phase 2 ↓	Day 31 to Day 150	<ul style="list-style-type: none">▪ Verification of claims by IRP▪ IRP to constitute CoC and file a report▪ Convene and hold 1st CoC meeting▪ Appointment of resolution professional▪ Preparation of complete IM▪ Submission of resolution plan
Phase 3 ↓	Day 151 to Day 180/270	<ul style="list-style-type: none">▪ CoC's approval of resolution plan▪ Approval of resolution plan by NCLT
Phase 4 (if required) ↓	Liquidation Proceedings	<p>Liquidation order will be passed if:</p> <ul style="list-style-type: none">▪ CIRP ends▪ Plan not submitted to NCLT▪ Plan not approved▪ Decided by CoC▪ Plan not properly implemented

Phase 1: First 30 days from the date of filing

12

Abhijeet MADC

Linkson International

Easun Reyrolle

Sandeep Axles

Suryabalaji Steels

Gupta Global

Phase 2: Day 31 to Day 150

229

Bhushan Steel

Bhushan Power

Lanco Infra

Essar Steel

Jaypee Infra

Monnet Ispat

ABG Shipyard

Amtek Auto

Electrosteel

Jyoti Structures

Alok Industries

Phase 3: Day 151 to Day 180/270

101

Educomp Solutions

Unimark Remedies Ltd

Gujarat NRE Coke Limited

Era Infra

Hindustan Dorr Oliver

Kalyanpur Cements

Murli Industries

James Hotels Ltd

Clutch Auto

HDO Technologies

Phase 4: Liquidation Proceedings (if required)

5

**Bhupen Electronic
Limited**

**VNR Infrastructures
Limited**

**Nicco Corporation
Limited**

REI Agro

**Innoventive Industries
Limited**

**as of 31st October 2017*

SECTION

2

Key Developments in October
2017

Key Circulars/ Notifications

- Per IBBI Notification -- 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.
- The Insolvency and Bankruptcy Board of India has invited public comments with respect to report submitted by the Working Group with recommendations on the strategy and approach for implementation of the provisions of the Insolvency and Bankruptcy Code, 2016 dealing with insolvency and bankruptcy in respect of: (i) Guarantors to corporate debtors, i.e., personal guarantors, and (ii) Individuals having business
- It is understood that u/s 30(2) of the IBC, 2016; a resolution plan approved by the Committee of Creditors and the Adjudicating Authority is compliant within the applicable laws and legally implementable and no further approval of the shareholders/members of the Corporate Debtor is needed.
- As per Section 31 (1) of the IBC, 2016, a resolution plan approved by the Adjudicating Authority is binding on corporate debtor and all the other members included in the resolution plan inter-alia shareholders/members, employees, creditors, guarantors etc

Key Judgments

- Hon'ble NCLT, New Delhi, in the matter of **Axis Bank Ltd. & DBS Bank Ltd. vs. Edu Smart Services Pvt. Ltd.** (Corporate Debtor) held that enforcement of Corporate Guarantee after commencement of CIRP in case of principal borrower is akin to recovery proceeding.
- In the case of **M/s. Innoventive Industries Ltd v. ICICI Bank & Others**, the Hon'ble Supreme Court held that Maharashtra Relief Undertakings (Special Provisions Act), 1958 is repugnant to Insolvency and Bankruptcy Code of 2016
- The Hon'ble High Court of Allahabad in **Sanjeev Shriya v. State Bank India & Others**, whilst holding that the provisions of the Code will prevail over the provisions of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, also observed that till the time the corporate insolvency resolution process is finalised no proceedings against the principal debtor or its guarantor can go on.
- The Hon'ble National Company Law Appellate Tribunal ("NCLAT") in **Smart Timing Steel Limited vs. National Steel and Agro industries Limited** held that foreign companies having no office in India or no account in India with any Financial Institution cannot submit to the jurisdiction under the Code in the absence of such certificate from Financial institution
- The Hon'ble National Company Law Appellate Tribunal ("NCLAT") in **Uttam Galva Steels Limited vs. DF Deutsche Forfait AG & Others**, held that 'advocate/lawyers' or 'chartered accountant' or 'company secretary', in absence of any authority of the board of directors, and holding no position with or in relation to the operational creditor, cannot issue any notice under Section 8 of the Code

Select New Cases in October 2017



Easun Reyrolle Limited



SPM Auto Pvt Ltd
Sandeep Axles Pvt Ltd



Abhijeet MADC Nagpur
Energy Pvt Ltd



Gupta Global Resources
Pvt Ltd



Deivaanai Sinter Metals
Pvt. Ltd.

Linkson International
Limited

Linkson Ispat & Energies
Pvt Ltd

Karuturi Foods Private
Limited

Bumblebee Electronics
Pvt. Ltd.

Say India Jewellers
Private Limited

Suryabalaji Steels Private
Limited

- IRP of Jaypee Infra insolvency floats EoI for resolution plans
- Supreme Court Says no to Jaypee on Yamuna Expressway Sale

Jaypee Infra

- Top global players including Tata Steel, Essar Group and ArcelorMittal are learnt to have submitted bids to acquire debt-laden Essar Steel

Essar Steel

- NCLT keeps insolvency proceedings against Era Infra Engineering on hold

Era Infra

- Tech Mahindra withdraws insolvency case against Reliance Communications
- NCLT to hear Ericsson's RCom insolvency petition on November 9

Reliance Communications

- SBI starts bankruptcy process against Castex Technologies
- SBI looks to name IRPs for NPA accounts on RBI's second defaulter list

State Bank of India

SECTION

3

RBI's list of Defaulters

3A

First List of Defaulters

Key Cases (1/2)

Name of Company	Industry	O/S Debt (INR mn)	Last available Revenue (INR mn)	FY	Market Cap*	Date of Completion of Restructuring	Status
Bhushan Steel Limited	Metals and Mining	462,632	150,273	FY17	13,149	22-Jan-2018	Last date of filing claims by creditors was 9 th August 2017
Lanco Infratech Limited	Infrastructure	435,018	73,437	FY17	2,645	3-Feb-2018	Last date of filing claims by creditors was 22 nd August 2017
Bhushan Power & Steel	Energy	356,850	76,998	FY16	NA	22-Jan-2018	Last date of filing claims by creditors was 9 th August 2017 And the last date to submit EOI bids was 6 th October 2017
Essar Steels Limited	Metals and Mining	312,110	156,497	FY16	NA	29-Jan-2018	Last date of filing claims by creditors was 16 th August 2017
Alok Industries Limited	Textiles	234,430	89,194	FY17	4,311	14-Jan-2018	Last date of filing claims by creditors was 1 st August 2017
Monnet Ispat & Energy Limited	Energy	103,333	13,751	FY17	6,063	13-Jan-2018	Last date of filing claims by creditors was 7 th August 2017 And the last date to submit EOI bids was 25 th September 2017

*Market Cap as of 16.10.2017

Key Cases (2/2)

Name of Company	Industry	O/S Debt (INR mn)	Last available Revenue (INR mn)	FY	Market Cap*	Date of Completion of Restructuring	Status
Era Infra Engineering Limited	Infrastructure	92,511	12,224	FY16	474	NA	Currently, insolvency proceedings against Era Infra on hold
ABG Shipyard Limited	Industrials - Shipbuilding	87,307	343	FY16	623	28-Jan-2018	Last date of filing claims by creditors was 16 th August 2017
Jaypee Infratech Ltd	Infrastructure	79,222	11,581	FY17	20,001	5-Feb-2018	Last date of filing claims by creditors was 24 th August 2017
Electrosteel Steels Limited	Metals and Mining	76,161	27,743	FY17	12,022	16-Jan-2018	Last date of filing claims by creditors was 4 th August 2017 And the last date to submit EOI bids was 30 th September 2017
Jyoti Structures Ltd.	Infrastructure	33,873	9,034	FY17	1,134	31-Dec-2017	Last date of filing claims by creditors was 26 th July 2017 And the last date to submit EOI bids was 12 th September 2017
Amtek Auto Limited	Industrials- Automobiles	39,281	19,668	FY17	5,598	20-Jan-2018	Last date of filing claims by creditors was 10 th August 2017 And the last date to submit EOI bids was 11 th September 2017

*Market Cap as of 16.10.2017

3B

Second List of Defaulters

RBI's Second List- Key Companies



Anrak Aluminium



Asian Colour Coated Ispat



BILT Graphic Paper Products



Castex Technologies



Coastal Projects



East Coast Energy



IVRCL



Jayaswal Neco Industries



Orchid Pharma



SEL Manufacturing



Soma Enterprise



Uttam Galva Metallic



Uttam Galva Steel



Videocon Telecom



Videocon Industries



Visa Steel



Essar Projects



Jai Balaji Industries



Jaiprakash Associates



Monnet Power



Nagarjuna Oil Refinery



Soya Industries

Ruchi Soya Industries



Wind World India



Shakti Bhog Foods Limited



Unity Infraprojects

SECTION

4

Annexures

4A

List of Cases filed with NCLT in October 2017

List of Cases filed with NCLT in October 2017



S.No.	Name of Corporate Debtor	Date of EOI for Claims	Date of Completion of Restructuring (180 days)	Industry
1	Easun Reyrolle Limited	25-Oct-2017	9-Apr-2018	Industrials – Electrical Services
2	SPM Auto Pvt. Ltd.	26-Oct-2017	14-Apr-2018	Industrials- Automobiles
3	Suryabalaji Steels Private Limited	26-Oct-2017	3-Apr-2018	Metals and Mining
4	Sandeep Axles Pvt. Ltd	25-Oct-2017	14-Apr-2018	Industrials- Automobiles
5	Karuturi Foods Private Limited	18-Oct-2017	9-Apr-2018	CRFAB
6	Deivaanai Sinter Metals Private Limited	14-Oct-2017	9-Apr-2018	Metals and Mining
7	Linkson International Limited	14-Oct-2017	4-Apr-2018	Industrials- Communications
8	Linkson Ispat & Energies Private Limited	14-Oct-2017	4-Apr-2018	Metals and Mining
9	Bumblebee Electronics Private Limited	13-Oct-2017	11-Apr-2018	Industrials- Electrical Equipment
10	Say India Jewellers Private Limited	13-Oct-2017	1-Apr-2018	Others- Jewellery
11	Gupta Global Resources Private Limited	10-Oct-2017	2-Apr-2018	Metals and Mining
12	Abhijeet MADC Nagpur Energy Private Limited	10-Oct-2017	4-Apr-2018	Energy

4B

About Aurum + ICSL Consortium

Aurum Equity Partners LLP

- Led by Sanjay Bansal, with 25 years of deal experience and one hundred and fifty successful transaction closures
- Deep **industry knowledge** of sectors that are the cornerstone of growth in the Indian economy
- Deep **restructuring experience** within the team through **Resolution by M&A** (Example Deals – Deccan Chronicle, BPL and Birla Tyres Business Acquisition by JK Tyres)
- Senior management has 50+ years of experience in deal making and have successfully closed 150+ transactions.
- **Long standing relationships with Key Institutional Investors – Indian and Global as well as Indian business houses.**
- Part of the following global networks:
 - **Crowe Horwath International – a global top-10 advisory network with 726 offices in 125 countries with more than 30,000 employees.**
 - **Black Olive Ventures – a real-estate focused fund management and investment banking firm**
- Professionals include MBAs, CAs, Engineers etc with offices in Delhi, Bangalore and Mumbai.

ICSL

- Led by **Sajeve Deora**, is amongst top **Restructuring Professionals** in India.
- Deep **restructuring and turnaround experience of 33+ years with over one hundred cases handled, including :**
 - Sales of shares and Changes of management of stress companies
 - Sales of assets of companies in Stress
 - Sales in Court processes wherein borrowers are in Stress
 - Formation of asset sale committees in discussions with lenders
 - Dealing with documentation for sales of shares and assets, in cases of Stressed borrowers before BIFR, DRT, SARFAESI, CDR, Winding up proceedings, CLB proceedings, etc.
- India partner of **BTG Global Advisory - an international alliance of independent restructuring and financial advisory firms operating in key jurisdictions across the globe.** Services include - Turnaround advisory and implementation, Performance improvement consulting, Loan workout, Interim management, Managed Exit Services, Forensic Accounting etc.
- India wide network through associated advisory firms in Mumbai, Chandigarh, Chennai, Hyderabad, Bengaluru, Kolkata.
- Team comprises of Accountants, Lawyers and Tax Experts.

Thank You

Contact Persons:

Sanjay Bansal

Founder & Managing Partner

Aurum Equity Partners LLP

Tel: +91 124 4424477

Mob: +91 98110 10810

Email: sanjaybansal@aurumequity.com

Sajeve Deora

Director

Integrated Capital Services Limited

Mob: +91 98119 03450

Email: sajeve.deora@deora.com