

PREVILEGED AND CONFIDENTIAL

**SCHEME OF COMPROMISE (OR) ARRANGEMENT
UNDER SECTION 230 OF THE COMPANIES ACT, 2013**

**IN THE LIQUIDATION PROCESS OF
"M/s. SENTHIL PAPERS AND BOARDS PRIVATE LIMITED"**

BY

STAKEHOLDERS AND CREDITORS

PREAMBLE

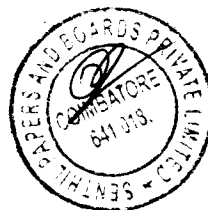
This Scheme of Arrangement is presented under Sections 230 to 232 read with 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for the Scheme of Corporate debt restructuring of Senthil Papers and Boards Pvt Limited. The Scheme also provides various other matters Consequential or otherwise integrally connected herewith

DESCRIPTION OF COMPANY

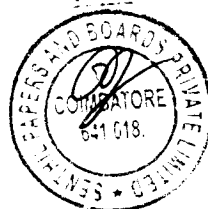
Senthil Papers and Boards Private limited (CIN: U02101TZ2002PTC010260) is a private company limited by shares, incorporated on 16th July, 2002 under the provisions of the Companies Act, 1956, having its registered office at 6th Floor, Senthel Towers, 1078, Avinashi Road, Coimbatore, Tamil Nadu and having plant at 106, Ikkarai Thathapalli village, Sathyamangalam - 638451.

DEFINITIONS AND INTERPRETATION

1. In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given against them:
 - 1.1. "Act" means the Companies Act, 2013 and the rules and regulations made there under, and includes any alterations, modifications, amendments made thereto from time to time and/or any re-enactment thereof for the time being in force;
 - 1.2. "Applicable Law" means
 - (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction,
 - (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreement s with, any governmental authority or recognized stock exchange, and
 - (c) international treaties, conventions and protocols, as may be in force from time to time;
 - 1.3. "Appointed Date" means 1st August, 2019 or such other date as the National Company Law Tribunal may decide/ approve the Scheme.



- 1.4. "Appropriate Authority" means any applicable central, state or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body, or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, including the Central Government, Registrar of Companies, official liquidator or the National Company Law Tribunal as may be relevant in the context.
- 1.5. "Board of Directors" or "Board" in relation to the Companies, as the case may be, means the board of directors of such company, and shall include a committee duly constituted, empowered and authorized for the purposes of matters pertaining to the arrangement, Scheme and/or any other matter relating thereto;
- 1.6. "Corporate debt restructuring" any CDR consented by not less than 75% of the Secured Creditor in Value including
- (i) a creditors responsibility statement in the prescribed form
 - (ii) Safeguards for the protection of the other secured and unsecured creditors;
 - (iii) report by the auditor that the fund requirements of the company after the corporate debt restructuring as approved shall conform to the liquidity test based upon the estimates provided to them by the Board;
 - (iv) where the company proposes to adopt the corporate debt restructuring guidelines specified by the Reserve Bank of India, a statement to that effect; and
 - (v) a valuation report in respect of the shares and the property and all assets, tangible and intangible, movable and immovable, of the company by a registered valuer.
2. 'IBC' or the Code' shall mean Insolvency and Bankruptcy Code, 2016.
3. 'CIRP Regulations' means Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016).
4. 'Corporate Debtor' ("CD") shall have the meaning assigned to the term under section 3(8) of IBC, i.e. Senthil Papers and Boards Private Limited.
5. 'Corporate Insolvency Resolution Process ('CIRP') shall mean the process under Chapter II of Part II of IBC.
6. 'LIQUIDATOR' shall mean Liquidator of the Corporate Debtor.



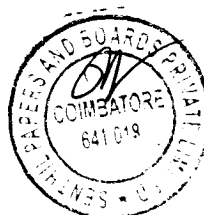
7. 'Committee of Creditors' (hereinafter referred to as CoC) shall mean a committee of creditors of the Corporate Debtor constituted by the RP in accordance with the provisions of the IBC.
8. 'Financial Creditor' (hereinafter referred to as 'FC') shall have the meaning assigned to the term under Section 5(7) of IBC, 2016. Financial Creditors such as State Bank of India is referred as "SBI", Indian Overseas Bank is referred as "IOB" and Tamilnad Mercantile Bank is referred as "TMB"
9. 'Operational Creditor' (hereinafter referred to as 'OC') shall have the meaning assigned to the term under Section 5(20) of IBC.
10. 'Adjudicating Authority' shall have the meaning assigned to the term under Section 60 of IBC.
11. 'Liquidation Value' shall have the meaning assigned to the term under Regulation 2(1)(k) of CIRP Regulations.
12. Liquidation shall mean the process under Chapter III of Part II of IBC.

1 Promoters of the Company

Name of the Promoter	O.ARUMUGASAMY
Principal Business Activities	Business
Contact Details	213, ATD Road, Race Course, Coimbatore - 641018 Tel: 0422-2231201 Cell: 9843021201

Name of the Promoter	A.SENTHILKUMAR
Principal Business Activities	Business
Contact Details	213, ATD Road, Race Course, Coimbatore - 641018 Tel: 0422-2240992/9443716000 E-mail: senthil_1001@yahoo.com

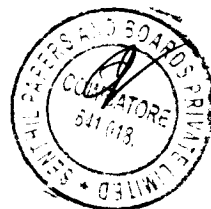
Name of the Promoter	M.PALANISAMY
Principal Business Activities	Business
Contact Details	Door No 55/2, Perks Compound, Uppilipalayam, Coimbatore - 15 Cell : 9443745000



Name of the Promoter	T.N.VETRIVEL
Principal Business Activities	Business
Contact Details	88, Rajiv Gandhi Nagar, Sowripalayam, Coimbatore - 641028 Cell: 9443711133 E-mail: director@spbpl.in

We the Applicants herein are the Directors and partner in various companies which are presently in the following businesses of Food processing, Civil Construction, Ingots including cement and aggregates, in Coimbatore. we presently holds majority of shareholding in the company. The Present Corporate Debtor, M/s Senthil Papers and Boards Private Limited originally incorporated on 16.07.2002 in the name and style of Vaikgunth Duplex Board Mills Private Limited with an installed capacity of 15 TPD only. Senthil Group took over the company, name changed to Saradha Paper & Boards Private Limited and Capacity has been increased to 50 TPD in a very short span of time. Thereafter in the year 2012, planned for expansion to the capacity of 550 TPD, in which Phase I for 250 TPD, Power plant 15 MW and phase II for 300 TPD, As on date the phase I is fully completed and Current Capacity – 300 TPD with 15 MW Co-gen power plant. Further the company has changed its name as Senthil Papers and Boards Private Limited in the year 2014 for create group brand after installation board machine 2 (Phase1), The company has gone for scope change in phase 2 to 450 TPD resulted in cost escalation which was approved by the lender. However the some of the consortium members bank has not sanctioned the additional term loan for the Board Machine – 3 (phase 2), hence unable to complete the Installation as per schedule time. Further shortage in working capital for existing capacity, the company unable to reach maximum capacity of Phase-1 resulted in continuous loss for the last four years and default in repayment to the lenders and the said circumstance led to slipping of loan accounts with the lenders to NPA on 31.03.2017 by SBI and 30.09.2017 in the Books of TMB and IOB.

However as promoters we have taken all necessary steps for revival and restructure in order to run the company in its full capacity so as to repay the loans at the earliest and promoters were in negotiation with other strategic investors to infuse funds to complete the stalled Board Machine -3 under Phase II expansion. As promoters efforts to repay the loans can be explicitly can be seen from the repayment of interest and principal to tune of Rs 116 crores from their own sources which were treated in the books of the company as unsecured loan of promoters.



However the State Bank of India approached NCLT and brought the company into CIRP. The Hon'ble NCLT Chennai admitted the CP/612/(IB)/CB/2017 on 14.11.2017.

The Committee of Creditors unanimously rejected the resolution plan submitted by the directors of the Corporate Debtor as they are ineligible to submit the said plan as the said plans were attracting following sub-section of Section 29A of IBC Regulations on the 9th COC Meeting held on 01st November 2018.

The Honorable National Company Law Tribunal (NCLT) has passed an order for Liquidation on 12th February 2019.

Mr.M.Palanisamy who is the director of the company has prepared an Appeal to NCLAT against the NCLT Liquidation order whereby the application U/s 60(5) of the Insolvency Bankruptcy code, 2016 filled by appellant has been rejected on the ground that the appellant is ineligible in terms of Section 29A (c) & (h) of the code.

The Honorable NCLAT direct the liquidator to follow the order passed in Company Appeal (AT) (Insolvency) No.224 of 2018 in the matter of Y.Shivaram Prasad Vs. S.Dhanapal & Ors dated 27.02.2019.

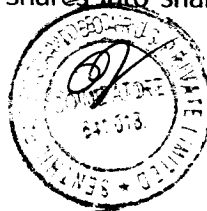
2. Power to compromise or make arrangements with creditors and members

(1) Where a compromise or arrangement is proposed—

- (a) between a company and its creditors or any class of them; or
- (b) between a company and its members or any class of them,

the Tribunal may, on the application of the company or of any creditor or member of the company, or in the case of a company which is being wound up, of the liquidator appointed under this Act or under the Insolvency and Bankruptcy Code, 2016 as the case may be, order a meeting of the creditors or class of creditors, or of the members or class of members, as the case may be, to be called, held and conducted in such manner as the Tribunal directs.

Explanation.— For the purposes of this sub-section, arrangement includes a reorganisation of the company's share capital by the consolidation of shares of different classes or by the division of shares into shares of different classes, or by both of those methods.

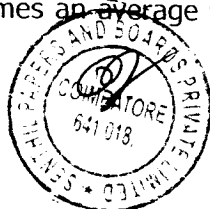


(2) The company or any other person, by whom an application is made under subsection (1), shall disclose to the by affidavit—

- (a) all material facts relating to the company, such as the latest financial position of the company, the latest auditor's report on the accounts of the company and the pendency of any investigation or proceedings against the company;
- (b) reduction of share capital of the company, if any, included in the compromise or arrangement;
- (c) any scheme of corporate debt restructuring consented to by not less than seventy-five per cent. of the secured creditors in value, including—
 - (i) a creditor's responsibility statement in the prescribed form;
 - (ii) Safeguards for the protection of other secured and unsecured creditors;
 - (iii) report by the auditor that the fund requirements of the company after the corporate debt restructuring as approved shall conform to the liquidity test based upon the estimates provided to them by the Board;
 - (iv) where the company proposes to adopt the corporate debt restructuring guidelines specified by the Reserve Bank of India, a statement to that effect; and
 - (v) a valuation report in respect of the shares and the property and all assets, tangible and intangible, movable and immovable, of the company by a registered valuer.

The Directors being major shareholders of the Corporate Debtor proposes the Scheme of Arrangement under Section 230 of Companies Act 2013 and have two decades of experience in managing affairs of the companies. Their great business skills and business enterprises have enabled the directors to establish a brand name in the market, particularly this Company products are well received in the market in terms of its quality.

At present Indian Paper Industry accounts for about 1.6% of the world's production of paper and Paperboard. Paper in India is expected to see an average growth of 7 per cent during the next year according to prediction by the Indian Pulp and Paper Technical Association (IPPTA). The sector is expected to grow 7 per cent per annum. From the current about Rs 35,000 cr. size, the turnover of the industry is likely to touch 60,000 mark by 2025. Currently, the Indian industry is accounts to about 2.5 per cent of the global production of paper. Even if one assumes an average 9% GDP growth rate in the medium



term, linear extrapolation suggests that by 2025, the country will consume over 24 million tons of paper. Therefore promoter having exposed to this Industry for the last two decades, have immense energy and drive to revive the business.

3. Background of the Corporate Debtor

Senthil Papers and Boards Private Limited (Formerly known as "Saradha Papers and Boards Private Limited") is one among the best manufacturers of the finest duplex boards in South India. It is professionally managed company and forms part of the leading Senthil Group of Companies in Coimbatore. The Group of Companies has wide experience in various fields and specifically in the manufacture and marketing of packaging materials for over 25 years.

The Company is situated on the banks of Perennial River Bhavani, so as it is assured of excellent water for processing. It comprises of a State-of-the-art fibre preparation line, Paper Board Machine, Coating Station and Conversion machinery for the manufacture of all types of paper boards as stated below.

1. Uncoated duplex board
2. Fusion Board
3. Cup board
4. Coated white duplex board Grey Back & White Back

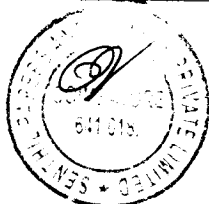
3.1 DIRECTORS OF THE CORPORATE DEBTOR

DIN/PAN	NAME
01629733	SENTHIL KUMAR.A.
01865892	M.PALANISAMY
02172975	O.ARUMUGASAMY
03052930	T.N.VETRIVEL

3.2 SHARE HOLDING PATTERN OF CORPORATE DEBTOR

Shareholding as on 31.03.2017

S.No.	Name	No. of shares of Rs 10 each	%	Remarks
1	M.PALANISAMY	66209167	99.10%	
2	A.SENTHILKUMAR	10000	0.01%	
2	O.ARUMUGASAMY	298333	0.45%	
3	T.N.VETRIVEL	62500	0.10%	
4	T.N.MARIYA GOWDER	229515	0.34%	
	TOTAL	66809515	100.00%	



3.3 Total Assets of the Corporate Debtor

The asset overview of the corporate debtor has been detailed below:

Type	Details	Description
Land	63.42 Acres of situated 106, Ikkarai Thathapalli village, Sathy Taluk, Erode district - 638 451	
Factory Building	Totally 128168 Sq.ft of factory sheds	
Machinery	BM-1, BM-2 and un installed BM-3	More fully described in Annexure A
Captive Power Plant Machineries	15 Megawatt	Detailed List is enclosed in Annexure A

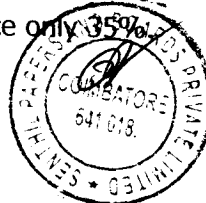
3.4 DEBTS AVAILED FOR ASSETS/OPERATIONS OF THE CORPORATE DEBTOR

- As per Audited Balance sheets, the company financial performance as indicated in the below table year wise from commencement of commercial operation :-
(Rs. in Cr)

Particulars	Year ended 31 st March 2015	Year ended 31 st March 2016	Year ended 31 st March 2017	Year ended 31 st March 2018
Revenue from Operation	68.44	137.22	123.33	15.42
Less :- Power plant inter unit sales	12.10	15.30	13.92	0.00
Net Revenue from Outside sales	56.34	121.92	109.41	15.42
Gross Profit	3.36	22.08	(12.97)	(3.54)
EBITDA	(0.48)	10.74	(23.89)	(9.85)
Interest to Banks	8.57	19.90	27.58	17.09
Cash Loss	(9.05)	(9.16)	(51.47)	(26.94)

- The major impact for the Negative EBITDA of the company so far as under;

- Due to Initial stabilization of the phase I project.
- Due to Inadequate working capital unable to run the plant continuously. Since, the past production performance only 35%



- Due to Underutilization of the Power Plant.
- Lower tariff rate for export power to Grid which is lower than the cost of production.

4 (i). Financial Creditors:

The amount of dues towards the Financial Creditors, based on the claims admitted by the Resolution Professional (RP), along with the share of each financial creditor in the total debt is provided below:

S.No.	Name of Financial Creditor	Facility	Claim (in Rs. Crores)	%
1.	Tamilnad Mercantile Bank	T.L and Working Capital	49.57	25.92
2.	State Bank of India	T.L and Working Capital	71.16	37.21
3.	Indian Overseas Bank	T.L. and Working Capital	70.51	36.87
	Total		191.24	100%

Apart from the above financial creditors, the following are the unsecured financial creditors who are related party to the Corporate Debtors:

S.No.	Name of Financial Creditor	Facility	Claim (in Rs. Crores)	Remark
1.	O.Arumugasamy	Unsecured Loan	0.30	Related Party
2.	M.Palanisamy	Unsecured Loan	108.82	Related Party
3.	A.Senthil Kumar	Unsecured Loan	18.06	Related Party
4	T.N.Vetrivel	Unsecured Loan	0.35	Related Party
	Total		127.53	

(ii) . Operational Creditors

As communicated by the Liquidator, apart from the financial creditors mentioned above, Operational Creditors of the Corporate Debtor have also filed their claims. Totally Eighty Four operational creditors have filed their claims and the said Total Claim of Operational Creditors is Rs 13.30 crores and out of which the Liquidator has admitted to tune of 11.65 Crores as against total claim of operational creditors Rs 13.30 crores.



(iii) Employees & Workmen dues

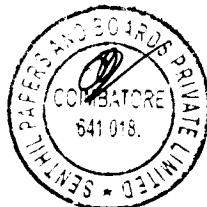
According to the information memorandum, a claim to the tune of Rs 57,56,644/- (Rupees Fifty Seven Lakhs and Fifty Six Thousand and Six hundred and Forty Four only) was filed by S.Thiruniraichelvan on behalf of 296 employees/ workmen and Rs 54.87 lakhs was admitted by the Resolution Applicant. The same is in tune with the financial statements ending on 31.03.2018.

5. Proposed Scheme of Arrangement

The Scheme of Arrangement as detailed in the following paragraphs primarily envisages the following strategies:

- i. **Financial Re-structuring** – The promoter proposes to settle Rs.160 Crores against the outstanding due for Rs. 191.24 Crores to the Financial creditors as on cutoff date as follows :
 - a. an amount of Rs. 160 crores will be infused by the Promotes or through strategic investor or diluting the promoter assets in the following manner:
 - (i) Upfront Payment of 10 Crores in no lien/ Escrow account immediately after approval of Scheme by Committee of Creditors (COC).
 - (ii) Payment of 70 crores within 30 days from the date of approval of Scheme of Arrangement by NCLT.
 - (iii) Payment of 80 Crores in Four Quarterly installment within One year from the date of Approval of Scheme of Arrangement by NCLT.
- ii. **Corporate Reorganization** – The promoters proposes to resume as Board of Directors of the Corporate Debtor and appoint new members on the Board of the Corporate Debtor as maybe decided by the Secured financial creditors as and when required.
- iii. **Payment to Operational Creditors & other creditors** –

The Promoters proposes to pay the 100% of dues of Operational Creditor detailed in Annexure –B within Six Months from the date of approval of scheme of Arrangement.
- iv. **Payment of Statutory dues** – There is a Rs 3.4 lacs payable to provident fund department and the same will be paid in full within one month from the Effective Date, without payment of any interest, penal interest or damages.



v. **Payment of Contingent Liabilities** – EPCG obligation to export to the tune of 6.88 crores can be squared off through the export operation within a period of two years from the effective date. Except the above there is no other contingent liability to the Company.

vi. **Sources of finance** - The Resolution Applicant proposes to pay the agreed amount to the Financial Creditors in the following sources,

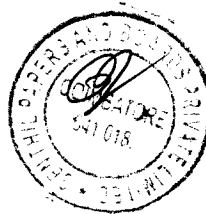
We are owing the below property at Bangalore and we plan to dispose the same and settle the agreed due as stated above,

- The property is situated at 5th Main Road, Samrajpet, Bangalore measuring 15.25 Acres in the name of M/s. T.R.Mills P Ltd and M/s. Chandra Spinning Mills P Ltd.
- We made payment for purchase of 25% of stake in the above said companies and made MOU to purchase 100% stake on payment of 42 Crores on 06.10.2007.
- As on date the Market value of above said property it comes around 500 Crores.
- However, the parties denying to transferring 75% of stake in our favour the value hike in the recent years. Hence, we appealed before NCLT, Bangalore and we received order in our favour on 03.08.2018, directing the transfer of entire shares on payment of Rs.42 Crores.
- Subsequently, the counter parties appealed before NCLAT, New Delhi against the order of NCLT on 06.09.2018.
- Order of NCLAT dated 03.07.2019 for fixing date of hearing on 08.08.2019. We have 100% confident to get order in our favour in NCLAT in short time.

6. Detailed terms & conditions of the Scheme of Arrangement

6.1 Cut-off Date – The cut-off date for the preparation of this Scheme of Arrangement has been taken as 03rd May 2019, i.e NCLAT order date.

6.2 Estimated Liquidation Cost - The Resolution Professional / Liquidator fees according to the provisions of Section 34 of the IBC, will be paid in priority.



7. Cost of Plan & Source of Finance

7.1. Cost of Scheme of Arrangement

Considering the payments envisaged in this Scheme of arrangement, the total cost and means of finance is as under:

The total Cost of Scheme of arrangement is inclusive of dues payable to Financial Creditor Banks, Operational Creditor, Employee's dues along with interest on the dues as on cutoff date. Out of the above total cost, Rs 50 lakhs (approx) will be utilized towards payment of CIRP cost in priority to all other dues and CIRP cost payout is subject to actual cost as ratified by COC. The balance payment as follows:

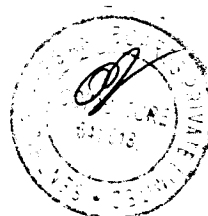
PARTICULARS	2020	2021	Total
<i>COST OF SCHEME</i>			
CIRP Cost	0.50		0.50
Payment to Financial creditor – Upfront after approval of COC.	10.00		10.00
Payment to Financial creditor – within 30 days after approval of NCLT.	70.00		70.00
Payment to Financial creditor – within 1 year after approval of NCLT.	20.00	60.00	80.00
Payment to Operational Creditors	11.66		11.66
Payment to Employees	0.57		0.57
Total Payments under the Plan	112.73	60.00	172.73
<i>MEANS OF FINANCE</i>			
Fund Infusion by Promoters out of disposal of the properties	112.73	60.00	172.73
Total	112.73	60.00	172.73

Board Machine 1 - Manufacturing 50 TPD (Ton per Day) of uncoated boards.

We acquired this plant in 2005 with capacity of 15 TPD and increased to 50 TPD to manufacture uncoated paper boards. In the Projection, we are plan to operate for own manufacturing and the expected sales revenue is Rs. 43 Cr per annum from this board machine.

Board Machine 2 – 250 TPD of Coated Paper Boards

The plant BM2 was stopped operation from November 2016 onwards due to inadequate working capital. We had achieved full capacity in many days while in operation of this plant. Following infusion of required working capital fund we can able to generate sales revenue amounting to Rs. 337 Cr Per annum.



15MW Captive Cogeneration Power plant – fully implemented – November2014

The Captive co-generation Power Plant is fully operational with both export and import facilities. Since the required power for Board machine 1 and 2 only 7 MW, we have detailed study to operate in 14.50 MW against installed capacity of 15 WM to export the same to TANGEDCO with tariff rate of Rs.5.49 per unit. The expected sales revenue through sale of power to the grid Rs. 26 Cr per annum and through sale of steam to neighbor mills for Rs.9 which also contribute for repayment of loans to the banks.

Detail projected balance sheet, profit & loss a/c and Cash Flow along with repayment schedule for the entire repayment period is listed as Annexure C.

Management of Affairs of Senthil Papers and Boards Private Limited after approval of Scheme of Arrangement

The Promoters resume as Board of Director after approval of the plan by Hon'ble NCLT.

INTERIM PERIOD BETWEEN CUTOFF DATE AND EFFECTIVE DATE:

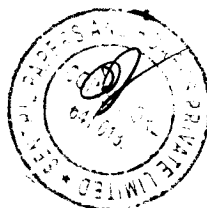
With the effective from the cut-off date and until the effective date, the Liquidator shall manage the Company and exercise all the powers.

GOING CONCERN

The Company shall continue as going concern and operate in its normal course of business upon implementation of the Scheme of Arrangement. With effect from the approval of Scheme by NCLT/ COC, the management of affairs of the Company after effective date would be resumption of suspended board of directors.

8. Corporate Actions:

The Company shall make appropriate actions necessary for implementation of all the provisions of the Scheme of Arrangement, which includes Filing of appropriate forms or documents amongst others with the Registrar of Companies & other compliance as per the governing law.



9. Provision for Implementation & Supervision of the Scheme of Arrangement

The term of the Scheme of Arrangement will commence from the effective date. The implementation of the Scheme will begin once the Scheme is approved by the Committee of Creditors and Adjudicating Authority in accordance with the Code. In order to ensure smooth implementation of the Scheme of arrangement, the promoter also propose the COC members to appoint a suitable professional a core team leader with a strong experience in the relevant field to ensure implementation of the Scheme of arrangement in an effective manner.

9.1 Release of Securities

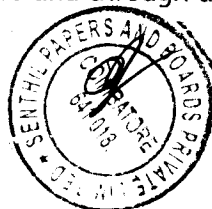
- On receipt of the payment of dues of Financial Creditor Banks as per this plan, shall unconditionally release all securities / Corporate Guarantees / Personal Guarantees / collaterals (pertaining to the Company) provided as security against the debt availed by the Company and the Secured Financial Creditors.
- Financial Creditor Banks shall release their charge over the assets of the Senthil Papers and Boards Private Limited which have been provided as security against the facilities availed from the financial lenders and also the corporate guarantees / Personal Guarantees held by them after receipt of payment as per the Scheme of Arrangement.

9.2. Consequence of Default :

In the event of Scheme of Arrangement is revoked or restructuring of the Company fails, the existing facilities of the creditors, the rights and remedies of the creditors under their respective existing financing documents would continue as if they had not been waived, amended, modified, superseded or replaced by the Scheme of Arrangement and the creditors shall be entitled to enforce such rights and remedies under the existing financing documents.

9.3. Other Reliefs

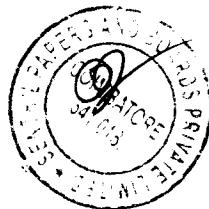
- To withdraw any suits/ applications filed against Senthil Papers and Boards Private Limited and Promoters.
- Senthil Papers and Boards Private Limited will have the option to pre pay the dues of the Financial Creditors, without any additional levies as when arranges fund through investors and through their own sources;



- For any default in making payment as specified in this plan, a cure period of 90 days would be provided to cure the default/delayed payment.
- The Promoters and the Company shall be entitled to share certified copy of the Scheme of Arrangement and the order of the Adjudicating Authority approving this Scheme of Arrangement with the third parties including Government Agencies.
- The Scheme of Arrangement once approved by COC and then the Adjudicating Authority along with such conditions as may be stipulated by the Adjudicating Authority, shall be binding on the Promoter, the Company, all the stakeholders, Creditors, members, promoters and employees and all other parties in interest and each of their respective successors.
- Promoter's reserves right to apply to Adjudicating Authority for appropriate modification of such provisions of the Scheme of Arrangement, to satisfaction of the Adjudicating Authority, to cure such invalidity or unenforceability of the provisions of the Scheme of arrangement if any. Any invalidity and/or unenforceability of the provisions of the Scheme of Arrangement shall not render the whole Scheme of Arrangement ineffective, unless otherwise directed by the Adjudicating Authority by an order.
- The Promoter's reserves and retains the right to modify the proposed Scheme in the event of amount proposed in this Plan for settling the dues to the Financial Creditor and other Creditors is revised based on the discussions between members of the COC and the Promoter.
- Promoter has made every possible effort to prepare and submit the Scheme of Arrangement strictly in accordance with the various provisions of the Code. However if there is any inadvertent inadequacy/shortcoming/defects in the Scheme of Arrangement, the Promoter shall be given an opportunity for rectifying and removal of such inadequacy/shortcomings/defects so observed.
- Any financial creditor may assign its rights under this Scheme of Arrangement, subject to the transferee unconditionally agreeing to be bound by the terms of this Scheme of Arrangement.

10. Added Advantage in the Scheme of Arrangement

- The Unit has the potential to generate average annual revenue of more than Rs.415 crores & 50 Crores as GST collection per annum which is significant contribution to Nation's GDP.



- The proposed Scheme of Arrangement keeps company as going concern and provides and assures continued direct employment opportunity to not less than 600 persons and indirect employment to more than 1000 people
- Power tariff rate for export to grid now Rs. 5.49 per unit which is more than cost of fuel. Its lead to additional cash flow to the company.
- Export of steam to the neighbor mills around 10 MT per hours to increase power plant capacity to the extent of 14.5 MW.
- Better realization of the bank debts considering the financial creditor to opt liquidation process.

11. Conclusion

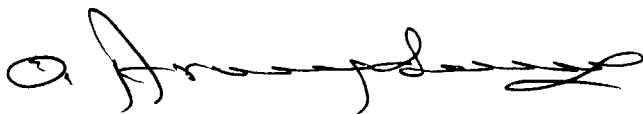
The Proposed Scheme of Arrangement has been made by considering all the relevant provisions of the Insolvency & Bankruptcy Code, 2016 and Section 230 of the Companies Act 2013. Further, the Promoter has enough expertise and potential to implement the Scheme of Arrangement proposed above. The Scheme of Arrangement strives to achieve the following:

- This proposed Scheme of Arrangement provides for payment of all operational creditors.
- The Proposed Scheme of Arrangement preserves and maximise the asset value.
- Interest of all the stake holders including Government dues duly taken care

It is hoped the Liquidator would find this plan suitable for presentation before the Committee of Creditors for approval of the Scheme as it takes care of interest of all the stakeholders.

Thanking you,

Yours Sincerely,



For SENTHIL PAPERS AND BOARDS PVT LTD

Place: Coimbatore
Date: 31/07/2019

