

Ramchandra D. Choudhary

M. Com., FCA

Insolvency Professional

IP Reg. No. : IBBI/IPA-001/IP-P00157/2017-18/10326

(भारतीय दिवाला और शोधन अक्षमता बोर्ड के अधिन)

Date : 2nd March, 2019

To,
DCS-CRD
The BSE Limited,
P. J. Towers,
Dalal Street,
Mumbai - 400 001
Stock Code: 523523

Listing Department,
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza,
Bandra (E),
MUMBAI - 400 051
Stock Code: RAINBOWPAP

Dear Sir / Madam,

Sub : Approval of Resolution Plan by Hon'ble National Company Law Tribunal, Ahmedabad Bench vide order dated 27/02/2019

With reference to the captioned subject and our earlier communications and in compliance with the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we would like to inform your goodselves that Resolution Plan submitted by M/s. Kushal Limited (which inter alia includes Scheme of Amalgamation of Rainbow Papers Limited into Kushal Limited) in accordance with the Insolvency and Bankruptcy Code, 2016 (as amended from time to time) has been approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on 27/02/2019. Copy of order passed by tribunal is attached herewith for your reference.

You are requested to notify this information to the Members and investors at large.

Thanking You

Yours Faithfully,
FOR RAINBOW PAPERS LIMITED

R. D. CHOUDHARY
RESOLUTION PROFESSIONAL
IBBI/IPA-001/IP-P00157/2017-2018/10326



R. Choudhary & Associates - Chartered Accountants

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Network Offices : Surat, Mumbai, Jaipur, New Delhi, Indore, Bengaluru, Chennai, Hyderabad, Chandigarh, Patna

Free of Cost Copy

BEFORE THE ADJUDICATING AUTHORITY
(NATIONAL COMPANY LAW TRIBUNAL)
AHMEDABAD BENCH
AHMEDABAD

IA 271 /2018 in C.P. (I.B) No. 88/NCLT/AHM/2017

Coram: Hon'ble Mr. HARIHAR PRAKASH CHATURVEDI, MEMBER JUDICIAL
Hon'ble Ms. MANORAMA KUMARI, MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH
OF THE NATIONAL COMPANY LAW TRIBUNAL ON 27.02.2019

Name of the Company: Shree Ganpatlal Onkarlal Agrawal & Co
V/s.
Mr. R.D. Chaudhary Resolution Professional of
Rainbow Papers Ltd.

Section of the Companies Act: Section 60 (5) of the Insolvency and Bankruptcy
Code

S.NO. NAME (CAPITAL LETTERS) DESIGNATION REPRESENTATION SIGNATURE

1.
2. *Raju Kulkarni*
Ajay Gansole } *Adv.* *Rep-coc* *R.*

ORDER

The Respondent/COC is represented through their respective learned counsels.

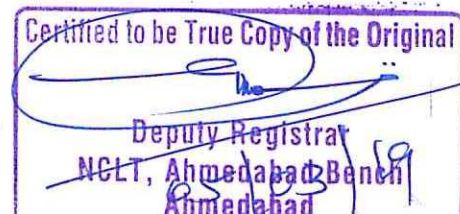
The Order is pronounced in the open court, vide separate sheet.

Manorama
MANORAMA KUMARI
MEMBER JUDICIAL

Dated this the 27th day of February, 2019



Harihar Prakash Chaturvedi
HARIHAR PRAKASH CHATURVEDI
MEMBER JUDICIAL



BEFORE THE ADJUDICATING AUTHORITY
(NATIONAL COMPANY LAW TRIBUNAL)
AHMEDABAD BENCH

IA No. 224/271/272/337 of 2018 and
P-01 of 2019 In
CP.No. (IB) 88/9/NCLT/AHM/2017
And IA No. 273 of 2018 in IA No. 224 of 2018 in
CP.No. (IB) 88/9/NCLT/AHM/2017

In the matter of:

IA No. 224 of 2018 in CP(IB) 88 of 2017

Shri Ramachandra D. Choudhary
Resolution Professional of
Rainbow Papers Limited

.....Applicant

Versus

The Committee of Creditors
Represented through Lead Bank Indian Overseas Bank,
Large Corporate Branch,
1st Floor, Chinubhai Tower
Ashram Road,
Ahmedabad - 380 009

.....Respondent

IA No. 271 of 2018 in CP(IB) 88 of 2017

Shree Ganpatlal Onkar Agrawal and Co.
110-111, TBC Tower,
22/1, South Tukoganj,
Near Geeta Bhawan Square,
A.B. Road,
Indore - 452 001

.....Applicant
[Operational Creditor]

Versus

Mr. Ramchandra D. Chaudhary,
Resolution Professional of
Rainbow Papers Limited
801, Avdhesh House,
Opp. Guru Govinddham Gurudwara,
S.G. Highway,
Thaltej,
Ahmedabad-380054

....Respondent



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IA No. 224/271/272/337 of 2018 and
P-01 of 2019 In
CP.No. (IB) 88/9/NCLT/AHM/2017
And IA No. 273 of 2018 in IA No. 224 of 2018 in
CP.No. (IB) 88/9/NCLT/AHM/2017

IA 272 of 2018 in CP(IB) 88 of 2017

Swastik Coal Corporation Private Limited
Swastika House,
21/3, Ratlam Kothi Main Road,
Indore - 452001
Madhya Pradesh

.....Applicant
[Operational Creditor]

Versus

Mr. Ramchandra D. Chaudhary,
Resolution Professional of
Rainbow Papers Limited
801, Avdhesh House,
Opp. Guru Govinddham Gurudwara,
S.G. Highway,
Thaltej,
Ahmedabad-380054

....Respondent

IA 273 of 2018 in IA 224 of 2018 in in CP(IB) 88 of 2017

Tourism Finance Corporation of India Ltd.
4th Floor, Tower - I,
NBCC Plaza,
Pushap Vihar, Sector V,
Saket,
New Delhi - 110017

....Applicant
[Operational Creditor]

Versus

Mr. Ramchandra D. Chaudhary,
Resolution Professional of
Rainbow Papers Limited
801, Avdhesh House,
Opp. Guru Govinddham Gurudwara,
S.G. Highway,
Thaltej,
Ahmedabad-380054

....Respondent

IA 337 of 2018 in CP(IB) 88 of 2017

Virag Enterprise,
404, 405, Ratan Galaxie,
J.N. Road, Mulund West,
Mumbai-400080

....Applicant
[Operational Creditor]



IA No. 224/271/272/337 of 2018 and
P-01 of 2019 In
CP.No. (IB) 88/9/NCLT/AHM/2017
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Mr. Ramchandra D. Chaudhary,
Resolution Professional of
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801, Avdhesh House,
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S.G. Highway,
Thaltej,
Ahmedabad-380054

....Respondent

P-01 of 2019 in CP(IB) 88 of 2017

Sales Tax Officer (1),
Unit-33, Kadi,
Mehsana,
Gujarat

Applicant
[Operational Creditor]

Versus

Mr. Ramchandra D. Chaudhary,
Resolution Professional of
Rainbow Papers Limited
801, Avdhesh House,
Opp. Guru Govinddham Gurudwara,
S.G. Highway,
Thaltej,
Ahmedabad-380054

....Respondent

Order delivered on 27th February, 2019

**Coram: Hon'ble Mr. Harihar Prakash Chaturvedi, Member (Judicial)
Hon'ble Ms. Manorama Kumari, Member (Judicial)**

Appearance: Mr. Harmish K Shah, Mr. Rajesh Parikh, Mr. Anip Gandhi, Mr. Raju Kothari, advocates are present for the Applicants. Mr. Mihir Thakar and Mr. Salil Thakar are present for the CoC. Ms. Natasha D. Shah is present for the Resolution Professional

COMMON ORDER

[Per se: Ms. Manorama Kumari, Member (Judicial)]

1. The IA 224 of 2018 is filed under section 30(6) read with section 31 of the Insolvency and Bankruptcy Code, 2016 ("the Code" for short) and regulations framed thereunder, seeking approval of the Resolution Plan



**IA No. 224/271/272/337 of 2018 and
P-01 of 2019 In
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for insolvency resolution of the Corporate Debtor as a going concern, with prayers:

(A) To approve the Revised Resolution Plan dated 26.05.2018 along with addendum dated 05.06.2018 with or without modification.

2. It is submitted by the Ld. Counsel on behalf of RP as well as CoC that the CP(IB)No. 88/2017 was filed by one Neeraj Papers Pvt. Ltd., the Operational Creditor under section 9 of the Code seeking initiation of Corporate Insolvency Resolution Process against Rainbow Papers Ltd (hereinafter referred to as "Corporate Debtor" having registered office at 801, Avdesh House, 8th Floor, Opp. Gurudwara Govinddham, S.G. Highway, Thaltej, Ahmedaba.
3. The said CP(IB) No. 88/2017 was admitted on 12.09.2017 by this Adjudicating Authority appointing IRP, on obtaining the recommendations from IBBI, Shri George Samuel on 22.09.2017.
4. On appointment of IRP, public announcement was made as per the provisions of section 15 of the Code calling upon the claims from the creditors. The public announcement was published in leading newspapers i.e. "Economic Times" and "Divya Bhaskar" on 26.09.2017, keeping the last date for submission of claims as 05.10.2017.
5. That on receipt of claims by 05.10.2017, Committee of Creditors was/is constituted on 10.10.2017 and the list of creditors is filed before this Bench as **Annexure-D**. Thereafter, IRP prepared Interim Information Memorandum dated 16.10.2017 on the basis of information collected in relation to the financial position.
It is mentioned hereunder that on 29.09.2017 two registered valuers is/are also appointed by IRP to determine the liquidation value of the Corporate Debtor in due compliance of Regulation 27 read with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
6. It is further submitted that in the first meeting of CoC, the resolution was passed to replace the Interim Resolution Professional with that of Mr. Ramchandra D. Chaudhary (hereinafter called RP). The change of IRP



was also subsequently approved by this Bench vide order dated 06.11.2017.

7. In pursuance of the public announcement under the provisions of Section 15 of the Code inviting claims from all the creditors, IRP/RP received claims, hence CoC was constituted on 10.10.2017.
8. It is further submitted that in compliance of the resolution passed in the second meeting of the CoC, a public announcement was made in the newspapers inviting the expression of interest (hereinafter called "EoI") fixing the last date as 07.02.2018. On the said date, the applicant received the resolution plan from one Kushal Limited (hereinafter referred to as "Resolution Applicant"), but the said plan was rejected by the CoC in their fourth meeting dated 17.02.2018, as the plan was devoid of minimum eligibility criteria with respect to the Earnest Money Deposit (hereinafter referred to as "EMD"). Consequent upon which, CoC further resolved to invite fresh EoI and the Resolution Applicant was also directed to do the needful.
9. Meanwhile, CoC resolved to get 90 days extension of CIRP beyond 180 days and vide order dated 19.03.2018, CIRP was further extended by 90 days by this Bench.
10. It is stated that on issuance of fresh EoI vide advertisement dated 21.02.2018, the RP received a resolution plan on 19.03.2018 from the same Resolution Applicant, though EoI were received from three parties but none came up except Kushal Ltd, who deposited Rs. 30 crores as EMD. The said plan was placed in the fifth meeting of CoC dated 27.03.2018 where the CoC decided to put up the same for consideration in the next meeting.
11. It is submitted that the revised resolution plan was discussed in the 6th meeting of CoC dated 25.04.2018. On detailed discussions in the CoC, it was found that Resolution Applicant has not made sufficient improvement in the resolution plan dated 31.03.2018. Hence Resolution Applicant was also directed to proceed with the forensic audit of the Corporate Debtor.



12. It is submitted that in the 7th meeting of CoC dated 03.05.2018, the scope of the forensic audit was decided and the revised resolution plan was further discussed and accordingly, the Resolution Applicant was directed to submit the improved resolution plan removing some of the legal defects as observed in the plan.
13. The Resolution Applicant again filed the amended resolution plan on 26.05.2018. On scrutiny RP issued certificate on 28.05.2018 in compliance of the Regulation 39(2). Accordingly, RP/the applicant issued notice dated 29.05.2018 for convening the eighth and final meeting of the CoC on 04.06.2018. In the said meeting, CoC sought certain changes in the plan. In view of that, the Resolution Applicant was permitted to provide the addendum to the revised plan within a period of one (1) day which was accepted and duly acted upon by the Resolution applicant.
14. The said amended revised resolution plan along with the addendum dated 05.06.2018 was placed for e-voting before the members of the CoC which took place on two (2) days i.e. on 06.06.2018 and 07.06.2018. The CoC in their aforesaid e-voting resolved to approve the resolution plan along with the addendum with majority of 79.79% voting share in favour of the Resolution Applicant.
15. It is stated that all the compliances are made. CoC had taken the decision based upon the commercial wisdom looking to the meaningful and viable plan. The said decision of CoC takes care of the interests of all the stakeholders.
16. On filing of the application by the RP under section 30(6) read with section 31 of the Code, notices were issued to the CoC and suspended management. CoC approved and conceded to the fact of filing application by the RP under section 33(6) of the Code and have supported the argument advanced by the Ld. Counsel of the RP. No representation received from the suspended management.
17. That during the pendency and/or on filing of the application by RP under section 33(6) of the Code, number of intervention applications are filed. Some of the intervention applications are being withdrawn in due course, however, some of the applications are decided and disposed of on merit



by hearing RP and the CoC. The order of those intervention applications are passed separately for the sake of convenience, as those are not maintainable.

18. Heard the arguments of the RP and CoC and also seen the Resolution Plan filed with the application.
19. That on perusal of the application as well as the Resolution Plan as also discussed above, which are not narrated here in again for the sake of brevity.
20. In the second meeting, CoC passed resolution and invited EoI which was published on 13.01.2018 with following criterion:
 - (i) That the net worth / market capitalization of the Resolution Applicant as the date of submission of the EOI shall be Rs. 1000 Crores or more'
 - (ii) That the Resolution Applicant shall have business experience in the Industry for a period of 3 years, immediately before the submission of the Resolution Plan.
 - (iii) That along with the EOI, the proposed Resolution Applicant shall deposit Rs. 50 Lakh (refundable) to the credit of a specified Bank Account of Corporate Debtor or by way of demand draft;
 - (iv) That the Resolution Applicant shall pay a minimum outright payment equivalent to at least 5% of the offer amount (refundable, if resolution plan is not accepted), to the credit of a specified Bank Account of Corporate Debtor or by way of demand draft along with the submission of the resolution Plan.
 - (v) The minimum offer amount shall be Rs. 535 Crores or more towards payment to the financial creditors;
 - (vi) In case, if Resolution Applicant is ARC / PE, the Assets Management Portfolio of such ARC / PE shall be Rs. 2500 Crores or more.
21. In view of the publication of announcement calling EoI, two EoI were received in relation to eligibility of resolution of the applicant, which were discussed in the CoC. The Resolution Plan of Kushal Limited jointly with Mr. Sandip Agrawal did not meet with the criteria of the initial deposit of 5% as on stipulated date. Hence the CoC rejected the Resolution Plan.



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The letter received from M/s. M.R. Agarwal Industries Ltd. was also discussed. To receive the better plan, CoC decided to revise EoI by relaxing certain conditions. The revised conditions are as under:

1. The Net worth (NW) of the Resolution Applicant as on 31.03.2017 (as per the Audited Balance Sheet of Resolution Applicant) shall be INR 200 Crores;
 2. The Resolution Applicant, other than ARC/PE shall have business experience in the same Industry, whether in trading or manufacturing, for a period of 3 years immediately before the submission of the Expression of Interest and resolution Plan;
 3. In case if Resolution Applicant is ARC/PE, the Assets Management Portfolio of such ARC /PE shall be Rs. 2500 Crores or more; and
 4. That the minimum offer price to the Secured Financial Creditors shall not be less than INR 550 Crores.
22. The CoC convened the 4th meeting on 17.02.2018 and decided to vote for resolution plans submitted by Kushal Limited jointly with Mr. Sandip Agrawal on 07.02.2018 and was placed before the CoC but the same was rejected due to want of minimum criteria. Hence, CoC decided to invite fresh EoI and got extended the CIRP term for further 90 days.
23. On perusal of the record and the advertisement, EoI was received from three parties viz. (i) Kushal Limited jointly with Mr. Sandip Agrawal (ii) Shree Rama Newsprint Ltd jointly with Ridhi sidhi Glucoboils Limited and (iii) Poddar International Limited jointly with three other applicants. But out of three parties, the resolution plan came from only Kushal Limited joining with Mr. Sandip Agrawal.
24. In the fifth meeting of CoC, proposal of the Kushal Limited jointly with Mr. Sandip Agrawal was discussed. The CoC suggested the Resolution applicant to improve the offer. Accordingly, Resolution Applicant submitted the revised resolution plan on 31.03.2018 and finally in the 8th meeting convened on 04.06.2018, the CoC planned for e-voting which commenced on 06.06.2018 and terminated on 07.06.2018 and the plan dated 26.05.2018 of Kushal Limited jointly with Mr. Sandip Agrawal was approved by 72.79% voting along with the Scheme of Amalgamation forming part of the resolution and addendum.



25. On perusal of the resolution plan, it is/was found that applicant made all the compliances in conformity with the provisions of the Code and the regulations framed thereunder and have taken care of creditors, shareholders, stakeholders and the employees. For the sake of convenience, the description of compliances made, are given hereunder in the tabular form:

No.	Section / Regulation	Sub-section/ Sub-regulation	Criteria	Criteria is met	Ref. Page No. in IA 224 of 2018
1	Section 30	(1)	A resolution applicant may submit a resolution plan to the resolution professional prepared on the basis of the information memorandum.	Prepared on the basis of information provided into the Information memorandum	136-137
		(2)	The RP shall examine each resolution plan received by him to confirm that each resolution plan :-		
		A	Provides for the payment of the IPR costs in the manner specified by	CIRP cost of Rs. 2 crores has been provided into the resolution	147



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			the Board in priority to the repayment of other debts of the corporate debtor	plan	
		B	Provides for repayment of debts of operational creditor in such manner as specified by the Board which shall not be less than the amount to the paid to the operational creditors in the event of a liquidation of the corporate debtor under section 53		155-156
		C	Provides for management of the affairs of the Corporate Debtor after approval of the Resolution Plan	Resolution Applicant has provided the detail of management of the affairs of the corporate debtor after approval of resolution Plan	171



Attorney

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