

17<sup>th</sup> January, 2020

To,  
The General Manager,  
Department of Corporate Services  
BSE Limited  
1<sup>st</sup> Floor, P. J. towers,  
Dalal Street, Mumbai - 400 001

To,  
The Manager,  
Listing Department,  
National Stock Exchange of India Ltd.  
Bandra- Kurla Complex,  
Mumbai – 400 051

Dear Sir,

**Scrip Code: 532904/ SUPREMEINFRA**

**Sub: Intimation about Proposed Composite Scheme of Compromise and Arrangement with Creditors of the Company.**

This is further to letter dated 31<sup>st</sup> December, 2019, regarding intimation for proposed scheme of compromise and arrangement with the creditors of the Company. In this connection, we have attached draft scheme of arrangement to be filed/submitted with Hon'ble NCLT (National Company law Tribunal) Mumbai bench.

We request you to kindly take the above on record and oblige.

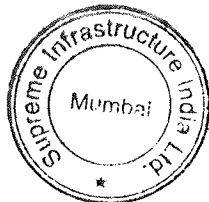
Thanking you.

Yours faithfully,

**FOR SUPREME INFRASTRUCTURE INDIA LIMITED**



**SIDDHARTH JAIN**  
G.M Finance, Accounts & Legal



Encl. as above

**COMPOSITE SCHEME OF COMPROMISE AND  
ARRANGEMENT BETWEEN  
SUPREME INFRASTRUCTURE INDIA LIMITED  
AND  
THE CREDITORS OF SUPREME INFRASTRUCTURE  
INDIA LIMITED**

## Composite Scheme of Compromise And Arrangement

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### PREAMBLE cum EXECUTIVE SUMMARY

- I. Supreme Infrastructure India Limited (“SIIIL” or “Company”) is a public limited listed company incorporated in the year 1983, having its registered office at Supreme House, Plot No 94/C, Pratap Gad, Opposite IIT Main Gate, Powai, Mumbai - 400076, Maharashtra and primarily into the business of Infrastructure Development. The company has grown many folds and had achieved the highest turnover of around 2100 crs in the FY 2013-14.
- II. The Company undertook Build Operate and Transfer (BOT) projects in and around Maharashtra, there was substantial cost overrun in term of incremental interest during construction, delay due to Land Acquisition issues, policy decision taken by PWD exempting toll on small cars and ST Buses, etc. These were reasons beyond the control of the management of the Company and the contingency for which no prudent business could provide for. Furthermore, there was substantial delay in getting funding tie up from the lenders to the Company due to various restriction imposed by RBI in terms of sectorial capping, project fund capping etc. The financial stress created due to these reasons resulted into termination of few of the project of the Company and financial position of the company underwent a substantial deterioration since 2014. The major reasons for the same have been discussed in the subsequent portion of this document. Due to the same, the company defaulted in making payments to its financial as well as operational creditors.
- III. In the month of Feb 2016 the Reserve Bank of India conducted AQR audit of State Bank of India and during the said audit the auditors of the Bank took a view that the restructuring of the Company done under the Joint Lenders Forum (Corrective Action Plan) was deemed to be double restructuring and hence the account was classified as Non Performing Asset with retrospective effect from January 2015 inspite of the fact there existed no payment default Feb 2016 by the Company. This brought the Company to a complete standstill as the limits which otherwise were available to the Company were suddenly overnight withdrawn by bankers. The Company attempts thereafter to resolve the stress by implementing the S4A scheme (under RBI Circular) were put to a sudden death (in spite of Company doing all required to be done at its part) by the RBI circular dated 12/02/2018. Thereafter the further actions taken by the Company under the 12/02/2018 circular were again put to an mid-way death as the said circular was declared as Non-Est by the Hon'ble Supreme Court of India. The lenders of the Company having regard to the fact that the Company has at all times done all time and is

## Composite Scheme of Compromise And Arrangement

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also willing to do all that is required to resolve the stress backed by the fact that the forensic audits done by the lenders did not have any siphoning or misappropriation comments are still working to resolve the financial stress of the Company and have as recently as in the month of June 2019 entered into the Inter Creditor Agreement as per the RBI Circular dated 07/06/2019. This over stretched situation has resulted into various litigations with its creditors, which is impacting the cash flows/growth/potential turnaround of the company. The operational efficiency and performance of the company was never in doubt and even at this critical juncture the company has one of the best potential order books in the industry and has complete operational infrastructure to cater the same.

- IV. Owing to the fact that the company was not able to pay the various operational creditors, it is pertinent to note that there were several operational creditors who had filed an application before the Hon. NCLT under section 9 of the Insolvency and Bankruptcy Code 2016. One of the said applications was admitted by the Hon. NCLT and Corporate Insolvency and Resolution Process of the company was initiated. The company appealed the same before the Hon. NCLAT and then before the Hon. Supreme Court. Finally, at the instructions of the Hon. Apex court, Hon. NCLT passed an order allowing the CIRP to be withdrawn however making an observation to settle/resolve such creditors.
- V. Purpose of the Scheme: In line with the directions of the Hon. NCLT, this Scheme of Composite Scheme of Compromise and Arrangement (hereinafter referred to as "the Scheme") is presented by SUPREME INFRASTRUCTURE INDIA LIMITED for compromising & settlement with all its creditors in respect of their existing dues on the terms and conditions in respect thereto as set out hereinafter, under Section 230 and other relevant provisions of the Companies Act, 2013, by and on behalf of Management led by the Managing Director, Mr. Vikram Sharma along with the other executive Directors, , which shall mean and include them, their administrators, executors, transferee(s), beneficiary(ies), and assignee(s).
- VI. The Scheme also provides for various other matters consequential or otherwise integrally connected therewith.
- VII. The summary of the liabilities of the company divided into various class of creditors is as follows:-

## Composite Scheme of Compromise And Arrangement

Sr No	Particulars	Amount (Rs. In lakhs)
a)	Financial Creditors	355,200
b)	Operational Creditors	23,028
c)	Employees	1,091
d)	Shareholders	NA
e)	Contingent Liabilities	70013

VIII. The payment of the above liabilities is proposed to be made as under: -

a. Financial Creditors

Sr No	Particulars	Amount (Rs. In lakhs)	Remarks
1	Total Debt	3,55,200	Ex. Non fund Based WC facilities
2	Sustainable Debt Converted to TL	65,000	Repayable over a period of 7 years. Repayment based on sale of assets charged with respective bankers. Interest @10% p.a.
3	Sustainable Debt converted to CC	35,000	Interest to be @10% p.a.
4	Issuance of NCD	2,46,781	Converted to NCD, repayable over a period of 22 years with a coupon of 0.01%. Interest during implementation period will be further added in the said instrument.
5	Issue of Fresh Equity	7,673	Face Value of Rs. 10 per share issued at a premium of Rs. 3 (Issue price Rs. 13)
6	Transfer of Pledged Equity	746	Conversion of pledged equity shares considered at face value i.e. Rs. 10

The sequence of events proposed will result in shareholding as follows: -

- Step 1 – Pledge of the lenders to be invoked and 74,62,505 shares to be transferred to the lenders
- Step 2 – As part of arrangement with the creditors, new Investor as well as promoters to infuse funds to the tune of 100 crores and 150 crores respectively at the rate of Rs. 13 per share
- Step 3 – Further 5,90,24,935 shares to be issued to the lenders at the rate of Rs. 13 per share

## Composite Scheme of Compromise And Arrangement

The tabular presentation of the same is as follows: -

Particulars	Post Pledge Invocation		Post Capital Raising of 250 crores		Post Conversion of Debt	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters</b>	14,50,569	6%	11,68,35,185	54%	11,68,35,185	42%
<b>Public</b>	1,67,85,298	65%	1,67,85,298	8%	1,67,85,298	6%
<b>New Investor</b>	0	0%	7,69,23,077	35%	7,69,23,077	28%
<b>Lenders</b>	74,62,505	29%	74,62,505	3%	6,64,87,440	24%
<b>Total</b>	<b>2,56,98,372</b>	<b>100%</b>	<b>21,80,06,065</b>	<b>100%</b>	<b>27,70,31,000</b>	<b>100%</b>

### b. Operational Creditors

S. No.	Particulars	Existing
1	Vendor Balance Below 25000	103
2	Vendor Balance 25000 to 100000	540
3	Vendor Balance 100000 to 500000	2,653
4	Vendor Balance 500000 to 5000000	10,583
5	Vendor Balance above 5000000	9,149
	<b>Total</b>	<b>23,028</b>

The operational creditors are proposed to be paid in full over a period of 1/3/6/9 years based on the amount outstanding as per the below mentioned table. Further, the same is done by conversion of their debt into 0.01% Non-Cumulative Redeemable Preference Shares. Also, there is an exit window available to these creditors at the discount rate as mentioned below: -

Sr No	At the End of	Below 1L	1L to 5 L	5L to 50 L	Above 50L
1	Year 9	NA	NA	NA	0%
2	Year 6	NA	NA	0%	39.14%
3	Year 3	NA	0%	34.25%	NA
4	Year 1	0%	20.28%	NA	NA
	Discount Rate considered	NA	12%	15%	18%

## Composite Scheme of Compromise And Arrangement

### c. Employees

The scheme proposes that the repayment to the continuing employees to be made over a period of 3 months while the repayment of the discontinued employees to be made in 4 equal quarterly instalments starting from the end of the 3<sup>rd</sup> month.

Sr No	Particulars	Amount	Repayment Structure
1	Employees - Continuing	553	In 3 months
2	Employees – Discontinued	539	4 equal quarterly instalments from end of 3 <sup>rd</sup> month
Total:		1,091	

### d. Contingent Liabilities

The scheme seeks that the disputed cases against the company be decided by the revenue authorities without the requirement for payment of any pre deposit for filing an appeal. Once the said disputes are decided, the liability, if any shall be paid at par with the operational creditors of the company.

S. No.	Particulars	Amount Rs. in Lakhs
1	Maharashtra Value Added Tax	17,672
2	Service Tax	42,494
3	Tax Deducted at Source	1,833
4	Income Tax	7,761
5	Excise	253
<b>Total</b>		<b>70,013</b>

### e. Shareholders

No reduction or consolidation of shares is proposed in the Scheme.

### IX. Key Strengths of the Scheme

#### **a. Strong Order Book**

Despite of the financial crunch for over 5 years and macro level economic slowdown, the company has some extremely good order book in its pipeline. The Company is having confirmed order book of more than Rs 1000 Crores and the Company is selected for order worth more than Rs 3000 Crores which shall be confirmed order book on execution of the contract.

#### **b. Inter Creditors Agreement already executed with the Financial Creditors**

The financial creditors of the company have already entered into an inter creditors agreement (signed by more than 94% of the lenders by value) in accordance with the RBI circular dated 7th June,2019 on 'Prudential Framework for Resolution of Stressed Assets', wherein the proceedings before various forums is agreed to be at standstill and a comprehensive restructuring of the debt are produced in the scheme is agreed by more than 94% of the financial creditors.

#### **c. No adverse remarks in any of the Audits conducted by Financial Creditors.**

The financial creditors have conducted various audits including Forensic audit (as mandatorily required by above mentioned RBI circular) of the transactions of the company and as far as we are informed there are no adverse comments in the said report, thus it can be safely construed that the transactions of the company and the business losses of the company are genuine and no apprehensions can be raised against the intentions of the management of the company.

#### **d. Promoters commitment towards the business**

- (a) Managing Director Mr. Vikram Sharma being a Civil engineer and other promoter family of the company are full time involved in the day to day affairs of the company and further do not have any other major business.
- (b) Even after the account becoming Non-Performing Asset with the lenders of the company, the promoters mortgaged their personal properties worth Rs. 250 crores as the additional security to the lenders of the company.
- (c) In last 5 years promoters have not withdrawn any money from the business including the salary payable to the executive directors of the company.



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- (d) Promoters have infused funds more than Rs. 150 crores in last 6-7 years and are further committing funds to the tune of Rs. 150 crores as a part of this scheme of compromise.
- (e) As a part of scheme, the promoters as further liquidating their personal assets to reduce the loan burden on the company and for its long-term viability.
- (f) As a part of scheme, the promoters have agreed to transfer their pledged shares to the lenders at a very nominal price.

The promoters have not left even a single stone unturned to make sure the turnaround of the company. The above clearly shows their commitment towards the company and its business model and also their serious intend for the quick revival of the company.

**e. No hair cut on principle amount to any creditor**

The scheme envisages full principle payment to each and every creditor of the company and no hair cut/waiver of any principle debt is being sought in the scheme.

**f. Priority given to smaller creditors**

The scheme has given consideration to the interests of small and medium entrepreneurs and thus they are given priority in payment over the other larger creditors.

**g. Equity Upside to Shareholders and Financial Creditors**

Part from the full principle repayment, the scheme also provides for the equity upside, if any, to the financial creditors of the company.

**h. Projections supported by TEV Report**

A comprehensive Techno Economic report has been prepared by reputed agency in order to determine the sustainable debt of the company and to verify the viability and feasibility of the projections made by the company.

**i. Investor still showing willingness to invest**

The company has a negative net worth of over 1000 crores, however despite the said position, the management is willing to contribute in the company from its personal net worth and has further gone ahead and roped in an investor to strengthen the financial position of the company.

### **BACKGROUND OF THE COMPANY**

#### **THE PAST**

SUPREME INFRASTRUCTURE INDIA LIMITED (SIIL) is a public limited company having registered office near IIT Powai, Mumbai. First, the company was incorporated in 1983 under the Indian Companies Act 1956 as Supreme Asphalts Private Limited and is promoted by Shri. Bhawani Shankar H. Sharma along with other promoters. Subsequently, the company changed its name to Supreme Infrastructure India Private Limited in 2002. It became a public limited company by the name Supreme Infrastructure India Limited in 2007.

The Initial Public offering of the Company was successfully done in the year 2007 and thereafter the performance of the Company was driven well backed by the hand holding done by all the lenders. The Company had recorded an increase of almost double in terms of the revenue milestones beginning from the year 2007-2008 to 2012-2013. Even at the slag period of economic downturn which was being faced by all the companies during the period of 2009-2010 and 2010-2011 the Company had managed to upkeep the growth and profitability trend based on the mix of the various verticals in which the Company has been operating (Roads, Bridges, Building, Power Distribution etc.) combined with the backward integration model (quarrying, crushing, ready mix concrete etc.). It is worthwhile mentioning that during the period ended March 2014 the Company turnover stood at ~Rs 2100 Crores. The backward integration modal followed by the Company has been one of the key reasons for the high EBIDTA margins all throughout the growth years as compared to the peers.

#### **THE PRESENT**

SUPREME INFRASTRUCTURE INDIA LIMITED is one of the promising companies in India having turnover of Rs. 904.05 crores as of 31-3-2019 and is expected to have turnover of approximately Rs. 755 crores by end of Financial Year 2019-20. The company has been formed to undertake engineering works of unrestricted value with most of the Government departments, public & private sector organisations. It is tribute to the company's outstanding performance that national & international contractors have expressed their interests for partnership on equal footing for mega size projects.

Apart from the latest methods and techniques, the company has introduced automation in its working styles. Use of QA / QC methods, Project Management & Control Tools, Safety Manuals, is the hallmark of company's operations. As an organisation, it is always on the move to improve its productivity further by resorting to new management of tools as they become available.

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The company does not rest on the laurels and continues to endeavour towards the future progress & development to reach the peaks of the engineering professions viz, Excellence, Expediency and Economy.

SILL has gradually attained its trademark of being a diversified infrastructure EPC player with an imminent presence across numerous industries. The company undertakes high-scale projects across 13 states in India- majorly in Haryana, UP, Punjab, West Bengal, Assam, Odisha, Jharkhand, Maharashtra and Rajasthan. It is diversified into 6 segments namely roads, bridges, railways, power, buildings, irrigation and sewerage. The company has a sturdy presence in the roads BOT segment, where it has undertaken 11 projects, out of which 6 projects are operational and 3 projects are under construction.

Under the Leadership of Shri. Bhawani Shankar H. Sharma, the Company has marked its presence in various cities in India viz, Gurgaon, Kolkata, Bhiwandi, Raigad as well as in other countries viz, Oman. Brief summary of all the ongoing and completed Projects are enumerated in Schedule 1.

### TRADING OF SHARES ON BSE & NSE

The Company's Equity Shares are Listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and are actively traded on BSE & NSE. At present, there are approximately 167 Lakhs public shareholders. The total trading activities on the Equity Shares of the Company at NSE & BSE at 01/12/2019 to 02/01/2020 are as under:

<b>Trading data for the period 01.12.2019 to 02.01.2020</b>													
<b>Source : NSE Website.</b>													
Date	series	OPEN	HIGH	LOW	PRE V. CLOSSE	ltp	close	vwap	52 WH	52 WL	VOLUME	VALUE	No of trades
2020-01-01T18:30:00.000Z	EQ	9.2	9.2	9.2	8.8	9.2	9.2	9.2	29.8	6.25	6639	61078.8	11
2019-12-31T18:30:00.000Z	EQ	8.8	8.8	8.8	8.4	8.8	8.8	8.8	29.8	6.25	1550	13640	5
2019-12-30T18:30:00.000Z	EQ	8.4	8.4	8.4	8	8.4	8.4	8.4	29.8	6.25	2534	21285.6	22

**Composite Scheme of Compromise And Arrangement**

0.000Z														
2019-12-29T18:30:00.000Z	EQ	7.75	8	7.75	7.65	8	8	7.97	29.8	6.25	12829	102198.75	53	
2019-12-26T18:30:00.000Z	EQ	7.7	7.75	7.15	7.4	7.75	7.65	7.65	29.8	6.25	2836	21702.15	21	
2019-12-25T18:30:00.000Z	EQ	7.3	7.8	7.15	7.5	7.3	7.4	7.3	29.8	6.25	9262	67601.05	44	
2019-12-23T18:30:00.000Z	EQ	7.5	7.85	7.25	7.5	7.5	7.5	7.31	29.8	6.25	34307	250636.65	40	
2019-12-22T18:30:00.000Z	EQ	6.8	7.5	6.8	7.15	7.5	7.5	7.4	29.8	6.25	16146	119556	36	
2019-12-19T18:30:00.000Z	EQ	7.2	7.2	7.15	7.5	7.15	7.15	7.19	29.8	6.25	3507	25211.05	14	
2019-12-18T18:30:00.000Z	EQ	7	7.5	7	7.15	7.5	7.5	7.47	29.8	6.25	3549	26517.2	24	
2019-12-17T18:30:00.000Z	EQ	6.65	7.15	6.65	6.85	7.15	7.15	7.02	29.8	6.25	1765	12389.3	20	
2019-12-16T18:30:00.000Z	EQ	6.3	6.85	6.25	6.55	6.85	6.85	6.53	29.8	6.25	16458	107472.6	47	
2019-12-15T18:30:00.000Z	EQ	6.65	6.95	6.55	6.85	6.55	6.55	6.63	29.8	6.25	5267	34944.05	22	
2019-12-12T18:30:00.000Z	EQ	6.5	6.85	6.25	6.55	6.85	6.85	6.45	32.45	6.25	15577	100546.6	82	

**Composite Scheme of Compromise And Arrangement**

2019-12-11T18:30:00.000Z	EQ	6.5	6.8	6.5	6.7 5	6. 55	6. 5 5	6.6 2	32. 45	6.5	5653	374 16.9	25
2019-12-10T18:30:00.000Z	EQ	6.8	7.0 5	6.6 5	6.9	6. 75	6. 7 5	6.7 8	32. 45	6.6 5	8739	592 78.8 5	30
2019-12-09T18:30:00.000Z	EQ	7	7.2 5	6.9	7.1 5	6. 9	6. 9	7.0 9	32. 45	6.9	4937	349 81.1	34
2019-12-08T18:30:00.000Z	EQ	7.4	7.7 5	7.1 5	7.4 5	7. 15	7. 1 5	7.4 6	32. 45	7.1 5	9090	678 19	35
2019-12-05T18:30:00.000Z	EQ	7.7	7.9	7.4	7.7	7. 4	7. 4 5	7.5 6	36. 95	7.4	8341	630 63.1 5	47
2019-12-04T18:30:00.000Z	EQ	8	8	7.6	8	7. 6	7. 7	7.8 1	36. 95	7.6	2658 4	207 523. 75	131
2019-12-03T18:30:00.000Z	EQ	8.0 5	8.5	8	8.4	8	8	8.0 3	36. 95	8	1455 4	116 798. 6	74
2019-12-02T18:30:00.000Z	EQ	8.8 5	8.8 5	8.2	8.5	8. 5	8. 4	8.3 7	36. 95	8.2	1763	147 60.5	16
2019-12-01T18:30:00.000Z	EQ	9.2	9.2	8.4	8.8	9. 05	8. 5	8.6	36. 95	8.4	1362 7	117 221. 3	50

**Composite Scheme of Compromise And Arrangement**

<b>Trading data for the period 01.12.2019 to 02.01.2020</b>												
<b>Source : BSE Website.</b>												
<b>Date</b>	<b>Op en Pric e</b>	<b>Hig h Pric e</b>	<b>Lo w Pric e</b>	<b>Clo se Pric e</b>	<b>WA P</b>	<b>No. of Shar es</b>	<b>No. of Trad es</b>	<b>Total Turno ver (Rs.)</b>	<b>Deliver able Quantit y</b>	<b>% Deli. Qty to Trad ed Qty</b>	<b>Spre ad High - Low</b>	<b>Spre ad Clos e- Ope n</b>
02- Jan-20	10. 39	10. 39	10. 39	10. 39	10. 39	201 0	3	2088 3	2010	100. 00	0.00	0.00
01- Jan-20	9.9	9.9	9.9	9.9	9.9	583 0	9	5771 7	5780	99.1 4	0.00	0.00
31- Dec-19	8.9 5	9.4 3	8.8 6	9.4 3	9.1 9	888 6	23	8165 7	7365	82.8 8	0.57	0.48
30- Dec-19	8.4 5	9.2 8	8.4 5	8.9 9	8.9 9	482 0	12	4332 1	4818	99.9 6	0.83	0.54
27- Dec-19	8.8 9	8.8 9	8.8 9	8.8 9	8.8 9	400 4	6	3559 5	4000	99.9 0	0.00	0.00
26- Dec-19	9.3 5	9.3 5	9.3 5	9.3 5	9.3 5	305	2	2851	305	100. 00	0.00	0.00
18- Dec-19	9.8 4	9.8 4	9.8 4	9.8 4	9.8 4	100	1	984	100	100. 00	0.00	0.00
05- Dec-19	10. 35	10. 35	10. 35	10. 35	10	1	1	10	1	100. 00	0.00	0.00

## Composite Scheme of Compromise And Arrangement

### FINANCIAL SNAPSHOT OF THE COMPANY FOR THE PAST 5 YEARS IS AS UNDER:

(Rs. In Crores)

Particulars for the year ended 31st March	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenue from operations	1,517	1,210	1,050	904	556
Other incomes	4	4	3	76	24
<b>Total income</b>	<b>1,521</b>	<b>1,213</b>	<b>1,053</b>	<b>980</b>	<b>580</b>
Expenses	1,261	968	966	1,051	1,226
<b>EBITDA</b>	<b>261</b>	<b>245</b>	<b>87</b>	<b>-71</b>	<b>-647</b>
Depreciation	37	31	25	22	21
<b>PBIT</b>	<b>223</b>	<b>215</b>	<b>62</b>	<b>-92</b>	<b>-668</b>
Interest	190	247	281	361	438
<b>Profit before Tax</b>	<b>33</b>	<b>-32</b>	<b>-219</b>	<b>-454</b>	<b>-1,106</b>
Tax	16	9	-15	46	3
<b>Profit After Tax</b>	<b>17</b>	<b>-41</b>	<b>-203</b>	<b>-500</b>	<b>-1,109</b>
Cash Profit	55	-10	-179	-478	-1,088
Particulars for the year ended 31st March	FY2015	FY2016	FY2017	FY2018	FY2019
<b><u>Liabilities</u></b>					
Total Equity	772	732	644	146	-961
Total Debt	1724	2207	2063	2759	3367
Total Non-Current Liabilities	6	5	5	8	6
Total Current Liabilities	342	409	689	332	330
<b>Total Liabilities</b>	<b>2845</b>	<b>3352</b>	<b>3400</b>	<b>3246</b>	<b>2743</b>
<b><u>Assets</u></b>					
Fixed Assets	297	266	238	216	195
Total Non-Current Assets	1100	1264	1699	1716	1630
Total Current Assets	1448	1822	1463	1313	917
<b>Total Assets</b>	<b>2845</b>	<b>3352</b>	<b>3400</b>	<b>3246</b>	<b>2743</b>

### EXCELLENCE HAS ITS REWARDS

SILL has received many Excellence Award for its contribution in the field of Economic Development, for Young Entrepreneur of the year 2010 to Mr. Vikram Sharma, Managing Director by EPC World Awards, Most Admired Corporate in Infrastructure Development in 2010, Fastest Growing Construction Company (Mid-Size 1<sup>st</sup> Rank) in 2010 & (Mid-Size 2<sup>nd</sup>

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Rank) 2012, Outstanding Contribution in Specialized Construction (EPC Category) in 2012 & one of the most remarkable is Udyog Ratna Award to Mr. Bhawani Shankar Sharma, Executive Chairman by Institute of Economic Studies.

### THE BOARD OF DIRECTORS

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and legal and provide leadership and guidance to the Company's management. The Directors contribute their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company. Presently, the Board of Directors of the Company comprises Six Directors, out of which Four Directors are Non-Executive Directors. The Company has 'Executive Chairman' and there are Three Independent Directors on the Board which represent half of the total strength of the Board of Directors of the Company. The Directors contribute their diversified knowledge, experience and expertise in respective areas of their specialization for the growth of the Company.

Profiles of the Board of Directors are discussed in **Schedule No. 2:**

Name of the Directors	DIN Number	Designation
Mr. Bhawani Shankar Sharma	01249834	Executive Chairman (Promoter)
Mr. Vikram Sharma	01249904	Managing Director (Promoter)
Mr. V. P. Singh	00015784	Independent, Nonexecutive Director
Mr. Vinod Agarwala	01725158	Independent, Nonexecutive Director
Mr. S.K. Mishra	06411532	Independent, Nonexecutive Director
Mr. Dakshendra Agarwal	01010363	Non-executive Director

### Group Companies:

The Company has 15 group Companies viz, Subsidiaries and Associate Companies as enumerated below and briefly described in the **Schedule No.3:**

1. Supreme Manor Wada Bhiwandi Infrastructure Private Limited
2. Supreme Panvel-Indapur Tollways Private Limited
3. Supreme Ahmednagar Karamala Tembhurni Tollways Private Limited



## Composite Scheme of Compromise And Arrangement

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4. Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Private Limited
5. Patiala Nabha Infra Projects Pvt Ltd (Formerly known as Supreme Infra Projects Private Limited)
6. Supreme Suyog Funicular Ropeways Private Limited
7. Sanjose Supreme Tollways Development Private Limited
8. Supreme Kopergaon Ahmednagar Tollways Private Limited
9. Supreme Infrastructure BOT Pvt Limited
10. Supreme Infrastructure BOT Holdings Pvt Limited
11. Mohol Kurul Kamati Mandrup Tollways Private Limited
12. Supreme Megastructure Pvt Limited
13. Kotkapura Mukstar Tollways Private Limited (KMTPL)
14. Supreme Infrastructure Overseas LLC
15. Supreme Vasai Bhiwandi Tollways Private Limited

### **Registrar & Transfer Agents:**

Bigshare Services Private Limited having address: - 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Marol Maroshi Road, Andheri East, Mumbai 400059. The Board of Directors have delegated the power of share transfer to the M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company and they attend to share transfer formalities once in a fortnight.

### **Downfall & Reasons for Downfall**

There were certain events which completely shook the Company business and accordingly brought in the cash flow gaps between the requirement and flow of funds into the Company. Some of the events are numbered below:

- Post 2010 the Government of Maharashtra/Central Government, due to want of funds, was not coming out with any of the major EPC work. The Company took 11 BOT projects of the same 3 projects were taken by Company which were NPA with lenders.

## Composite Scheme of Compromise And Arrangement

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The BOT projects undertaken by the Company were evenly phased out to cover the equity requirement.

- Later on, The Company increased its presence in the Delhi and NCR region in terms of increase in order book and got in contracts like Supreme Court (Construction of additional Supreme Court Premises), Construction of buildings for National Building Construction Company (NBCC- Height & NBCC – Greens), Construction of low cost housing project for Delhi Urban Shelter and so on and so forth. However, during the year 2012-2013, 2013-2014 the Company did not get timely banking appraisal in the limits due to the various strict lending guidelines imposed by RBI onto the lenders. Also, in the sanction given by the lenders only a fraction of incremental exposure was taken by existing lenders and the balance was then left for the tie up with the new lender and thus the total financial closure happened as late as April 2014. Leaving a working capital shortfall into the Company that was, much required due to the incremental work taken and the new projects working coupled with equity requirement of BOT projects.
- In the year 2013 company started the project of Vasai – Bhiwandi and created a kitty of few projects which could have easily brought in extra cash flow in the parent Company in terms of the securitization value however in the year 2013 RBI came out with a guidelines according to which the lenders could not fund more than 85% of the project cost and thus the projects of the Company even after having a long tail period could not generate extra cash flow for the Company.
- Due to the cash flow constraints created due to the various events in the year 2013-2014 the Companies EPC project started feeling the heat of the cash flow mismatch and the project started falling short of the timelines. During the year 2014 there were termination of 3 projects namely CPWD Supreme Court, NBCC heights, NBCC Greens etc.
- Due to these termination and consequential bank guarantee encashment of these projects (performance, mobilization advances etc.) the cash flow which otherwise would have been recovered through working bills were taken in cash out from the accounts of the Company thus further deepening the pockets of the Company.

## Composite Scheme of Compromise And Arrangement

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- One of the key assumptions of the restructuring package was selling of the BOT assets by the Company. However due to stoppage of toll on the car/jeep/LMV and buses by the state government the monetization of the BOT project became a challenge as the IRR requirement due to no clarity on compensation to be received from government was taken a steep high. Thus, the Company could not materialize in selling of the BOT assets of the Company.
- The accounts of SILL with State Bank of India were classified as NPA based on the RBI Asset Quality audit and accordingly there was a substantial freeze in the utilization of the limits by the Company so due to lack of availability of providing the existing limits and getting new projects the order book position kept on deteriorating which led to further cash flow crunch as mobilization advance cycle and Capex to order book ratio kept on changing on negative side.

### **Past Restructuring Efforts:**

On Dec 29, 2016 Joint Lenders Forum (“JLF”) decided to examine recast of SILL’s debt under S4A scheme of RBI and recorded in ‘Reference Date’. OC approved S4A Scheme on July 10, 2017 and subsequently lenders 11 lenders sanctioned the scheme and 10 lenders signed the S4A document on Dec 08, 2017. The scheme envisaged a change in the shareholding of the promoters as the shares held by the promoters were to be transferred to the lenders. SILL being a listed company required exemption from SEBI under the substantial takeover guidelines. The said necessary applications were made to SEBI and SEBI had confirmed that SEBI was in the process of taking a policy decision on the same.

However, the proposed S4A Scheme in respect of restructuring of debts of the Company had to be abandoned in view of the RBI Circular dated 12<sup>th</sup> February, 2018 regarding “Resolution of Stressed Assets- Revised Framework”. Hence, it was decided to work in terms of the above referred new RBI circular. A revised Resolution Plan was prepared which was sanctioned post conducting Techno Economic Viability Study and Forensic Audit by Independent Agencies and there were no adverse remarks to that effect. The said plan was also duly rated investment grade by two Independent Credit Rating Agencies and in furtherance thereto the Financial Creditors entered into Framework Agreement for restructuring of the loan accounts and signed the same on 29<sup>th</sup> March 2019. However, in the matter of Dharani Sugars and Chemicals Ltd. Vs. Union of India & Others, it was held by the Hon. Supreme Court that the RBI circular dated February 12, 2018 on Resolution of Stressed Assets as ‘ultra vires and has no effect in law’.

## Composite Scheme of Compromise And Arrangement

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Hence, all actions taken under the RBI circular dated February 12, 2018 on Resolution of Stressed Assets were made redundant. Consequently, the proposed Resolution Plan made in terms of RBI circular dated February 12, 2018 fell off.

After the Supreme Court Judgement referred above, the Reserve Bank of India issued a fresh circular dated 7<sup>th</sup> June, 2019 on 'Prudential Framework for Resolution of Stressed Assets' which the lenders need to follow in cases wherein the lenders are of a view that restructuring the loan accounts would help in better recovery. The Company in accordance with the new RBI circular dated 7<sup>th</sup> June, 2019, had formulated Inter-Creditor Agreement and the lenders on 28<sup>th</sup> June 2019 had signed the same, wherein all the financial creditors had appointed State Bank of India as the Lead Bank and accordingly authorised to take all steps to prepare and implement the restructuring scheme.

### **Proceedings under Insolvency & Bankruptcy Code, 2016**

In June 2018, Petition bearing number CP 4752 (IB)/MB/2018 was filed by Vikas Shuttering Store Private Limited, Operational Creditor, under section 9 of Insolvency & Bankruptcy Code, 2016 (I&B Code) against Supreme Infrastructure India Ltd. claiming an amount of ₹14,26,91,442.31 being due and payable, for initiating Corporate Insolvency Resolution Process (CIRP). On 8<sup>th</sup> August 2019 SILL filed reply raising all the contention against the Petition before the Hon'ble NCLT, Mumbai Bench -1. Correspondingly Rejoinder was filed by Vikas Shuttering Store Private Limited on 7<sup>th</sup> September 2019.

Further, after the hearing of the matter before the Hon'ble NCLT on 30<sup>th</sup> September 2019, order was passed admitting the petition and appointment of Mr. Prashant Jain as the Interim Resolution Professional (IRP).

While the IRP was carrying out his duties envisaged under IBC, 2016, SILL and Vikas Shuttering Store Private Limited entered into commercial arrangements and agreed to enter into consent terms and place on record the same before the Hon'ble NCLT. Accordingly, Miscellaneous Application was filed on 9<sup>th</sup> October 2019 for placing the consent terms entered between the parties. Simultaneously another Miscellaneous Application was filed by the IRP on the basis of Form FA for withdrawal of the Petition. However, due to unavoidable circumstances, Hon'ble NCLT couldn't take on Board the matter and was adjourned to 7<sup>th</sup> November 2019.

The 'Interim Resolution Professional' had constituted on 22<sup>nd</sup> October, 2019 the 'Committee of Creditors'. Aggrieved by the delay so caused on 24<sup>th</sup> October 2019, the Company

approached Hon'ble NCLAT and on 25<sup>th</sup> October 2019 the matter was partly heard and considering the urgency the Hon'ble NCLAT stayed the CIRP proceedings mentioning that “***Until further orders, the ‘Committee of Creditors’ will not function but the ‘Interim Resolution Professional’ will ensure that the Company remains a going concern. The Appellant will immediately hand over the assets and records of the ‘Corporate Debtor’ to the ‘Interim Resolution Professional’, if not yet handed over.***”

On 14<sup>th</sup> November 2019, when the matter was for hearing before the Hon'ble NCLAT as per the orders dated 25<sup>th</sup> October 2019, the same was adjourned to 19<sup>th</sup> November 2019.

On 19<sup>th</sup> November the IRP appraised the Hon'ble NCLAT that there are other petitions filed under section 7 or Section 9 of the IBC, 2016 which were not entertained by the Adjudicating Authority as the CIRP had been initiated before the Company. On this Hon'ble NCLAT passed order that if such settlement is reached all the petitions that were dismissed shall stand revived and the Company may settle with them on individual basis. And thereafter the matter was listed for hearing on 11<sup>th</sup> December 2019.

Aggrieved by the impugned order dated 19<sup>th</sup> November 2019 of the NCLAT, Civil appeal No. 9072 of 2019 was moved by the erstwhile Chairman and Promoter Mr. Bhawani Shankar Sharma, to the Supreme Court of India. Hon'ble Supreme Court in its order dated 29<sup>th</sup> November 2019 requested the NCLAT to decide the appeal at an early date and the appeal was accordingly disposed of.

On 13<sup>th</sup> December 2019, NCLAT adjourned the matter and allowed both the parties to move before NCLT, Mumbai Bench-1, for passing appropriate order on the application for withdrawal, and was further listed on 9<sup>th</sup> January 2020.

On 27<sup>th</sup> December 2019, the matter was heard by the Vacation Bench and The Hon'ble NCLT on 30<sup>th</sup> December 2019 pronounced the order and copy of the said order was also received, wherein MA4086/2019 & MA 3357/2019 were placed before the Hon'ble NCLT for Hearing and 3 major questions were answered by the Hon. NCLT:

- a) The withdrawal of the Corporate Insolvency Resolution Process (CIRP) on the basis of the consent terms entered between the Corporate Debtor and the Operational Creditor.
  - Hon'ble NCLT allowed the application of the company and the CIRP stands withdrawn

- b) Treatment to the petition filed by other creditors which were dismissed as infructuous on the ground of initiation of CIRP against the Corporate Debtor –
- Hon'ble NCLT relied on the statement given by the Corporate debtor that “the corporate debtor shall enter into settlement agreements with such operational creditors” and ordered that the settlement agreements shall be entered into within a period of 30 days from the date of the order in default of which such creditors will be at liberty to file appropriate application before the Adjudicating Authority for restoration of their petitions to file.
- c) Whether the concerns of the lenders' consortium have been adequately addressed before this Adjudicating Authority?
- Hon'ble NCLT in its order mentioned that there was no objector other than IDBI Bank Ltd., so far as withdrawal of CIRP is concerned. IDBI Bank constitutes only 0.73% of the CoC. The Inter Creditors Agreement adequately addresses the concerns of the consortium of lenders and it is only the order dated 30.09.2019 commencing CIRP against the corporate debtor that is standing in the way at this stage. Thus, in view of the fact that the said order is hereby withdrawn, the concerns of the lenders have been adequately taken care of.

### **THE SCHEME OF COMPROMISE AND ARRANGEMENT IS DIVIDED INTO THE FOLLOWING PARTS**

- Part 1: Definitions, Structure of Share Capital & Shareholding Pattern of the Company
- Part 2: Reorganisation of Capital
- Part 3: Compromise and Arrangements with Creditors
- Part 4: Accounting treatment in books of accounts
- Part 5: General Terms and Conditions
- Part 6: Pending Litigations

## Composite Scheme of Compromise And Arrangement

### PART 1 - DEFINITIONS, STRUCTURE OF SHARE CAPITAL & SHAREHOLDING PATTERN OF THE COMPANY

<b>Company Related Terms</b>	
<b>Terms</b>	<b>Description</b>
The Company or "SIIIL"	Supreme Infrastructure India Limited.
AoA/ Articles of Association or Articles	The articles of association of the Company, as amended
Auditors	The statutory auditor of the Company, being Ramanand Associates.
Appointed Date	shall be 01.04.2019, or any other date approved by the Creditors and sanctioned by the NCLT, from which date the scheme of Compromise/Arrangement/Revival will be applicable
Cut-Off Date	30 <sup>th</sup> November 2019
Effective Date	means the date on which this scheme becomes operative being the date on which the certified copy of the orders of the NCLT is filed with the Registrar of Companies, Mumbai.
Date of Effect and Operative Date	The Scheme set out herein in its present form or with any modification(s), if any, made as per clause 12 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date
Settlement Amount	shall mean such sum of amount as may be payable to the creditors of SIIIL in settlement of their outstanding claims against SIIIL in terms of this scheme
Scheme" or "the Scheme" or "this Scheme	shall mean the Scheme of Compromise between Supreme Infrastructure India Limited, the Investor and its creditors in its present form or with any modification (s) made under Clause 12 of this Scheme or with such other modifications / amendments as the Hon'ble Adjudicating Authority (NCLT), Mumbai may direct
New Equity Scheme	means fresh equity shares to be issued as per Part III of the scheme.



## Composite Scheme of Compromise And Arrangement

Unsecured Creditors	means all the operational creditors of the Company and the creditors related to the day to day operation of the company as on the appointed date.
Secured Creditors	means banks and financial institutions that have lent secured financial assistance to the Company secured by paripassu-charge over the Assets of the Company
Waiver	means the waiver of the right of the creditors of claims of any nature whatsoever including interest liquidated damages etc. of the Company
Creditors	shall mean and include debts and liabilities payable by SILL to all the banks and financial institutions as well as the Operational Creditors and also the statutory dues as on the Cut -off date of 30.11.2019, on which date the recourse to Section 230 of the Act was directed to be taken
“NCLT” or “Adjudicating Authority”	shall mean the National Company Law Tribunal, Mumbai (NCLT).
Board or Board of Directors	The board of directors of the Company, or a duly constituted committee thereof
CEO	The Chief Executive Officer of the Company
CFO	The Chief Financial Officer of the Company
Director(s)	The director(s) on the Board
Equity Shares	The equity shares of the Company of a face value of ₹10/- each
Equity Shareholders	The holders of the Equity Shares
Group Companies	The Group Companies of the Company, as identified and described in “Promoters, Promoter identified and described in “Promoters, Promoter Group and Group Companies” on Page 85
Key Managerial Personnel	Key management personnel of Company in terms of the Companies Act, 2013 and the SEBI ICDR
MoA/Memorandum of Association or Memorandum	The memorandum of association of the Company, as amended
Promoter(s)	The promoter(s) of the Company, as identified and described in “Promoter, Promoter Group and Group

## Composite Scheme of Compromise And Arrangement

	Companies” on Page 85
Promoter Group	Persons and entities constituting the promoter group of the Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as identified and described in “Promoters, Promoter Group and Group Companies” on Page 85
Registered Office	Supreme House, Plot No. 94/C Pratap Gad, Opp. I.I.T Main Gate, Powai, Mumbai – 400 076
RTA	Register & Transfer Agents - Big Share Services Private Limited appointed by the Company.
Scheme or The Scheme	Scheme of Arrangement under Sections 230 To 232 and other applicable provisions of The Companies Act, 2013 between Supreme Infrastructure India Limited ('the Company' or 'SILL') and the creditors of Supreme Infrastructure India Limited. .
<b>Conventional and General Terms and Abbreviations</b>	
<b>Term</b>	<b>Description</b>
AGM	Annual General Meeting
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate. CAGR is calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Act / Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder.

## Composite Scheme of Compromise And Arrangement

Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings per share
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax-Act, 1961
IND AS / IndAS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs. Or Re.	Indian Rupee, the official currency of the Republic of India
Lacs / Lakhs	Rupees / Number in Lacs / Lakhs
MAT	Minimum Alternate Tax
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Non-resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India

## Composite Scheme of Compromise And Arrangement

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ROA	Return on Assets
ROE	Return on Equity
RoNW	Return on Net Worth
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
US\$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
The words and expressions used but not defined in this Information Memorandum will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, and the SCRA, the Depositories Act and the rules and regulations made thereunder.	

## Composite Scheme of Compromise And Arrangement

### PART 2: REORGANISATION OF CAPITAL AND DEBT

#### STRUCTURE OF SHARE CAPITAL

The Capital structure of SILL as per audited balance sheet for the period ended on 31st March, 2019 is given as under:

Share Capital	INR
<b>Authorized Capital</b> 7,25,00,000 Equity shares of INR 10/- each.	72,50,000,000
25,00,000 1% Non-cumulative redeemable preference shares of ₹ 10 each	2,50,00,000
<b>Total: Rupees Seventy-Five Crores Only</b>	<b>75,00,00,000</b>
<b>Issued, Subscribed and Paid up</b> 2,56,98,372 Equity share of INR 10/- each fully paid up.	25,69,83,720

#### SHAREHOLDING PATTERN OF THE COMPANY

<u>Particulars</u>	<u>Face Value</u>	<u>No of Shares Held</u>	<u>Holding %</u>
<b>Promoters</b>			
<b>Individuals / HUF</b>			
Bhawani shankar H Sharma	10	1346708	5.24%
Vikram Bhavani shankar Sharma	10	1082942	4.21%
Vikas Bhawani shankar Sharma	10	1758753	6.84%
Barkha Vikram Sharma	10	7500	0.03%
Shweta V Sharma	10	5000	0.02%
Phool Kanwar H Sharma	10	90000	0.35%
<b>Total (A1)</b>		<b>4290903</b>	<b>16.70%</b>
<b>Body Corporates</b>			
BHS Housing Private Limited	10	3350000	13.04%
Supreme Villa Private Limited	10	1272171	4.95%
<b>Total (A2)</b>		<b>4622171</b>	<b>17.99%</b>

## Composite Scheme of Compromise And Arrangement

<b>Public Shareholding</b>			
<b>Institution</b>			
	-		
a) Banks/FI	10	123497	0.48%
b) Flls/Foreign Portfolio Investors	10	3099201	12.06%
<b>Total (B1)</b>		<b>3222698</b>	<b>12.54%</b>
<b>Non-Institution</b>			
	-		
<b>a) Body Corporates</b>			
Indian	10	2577894	10.03%
Overseas	10	0	0.00%
<b>Individuals</b>			
i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs	10	4011455	15.61%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	10	4051113	15.76%
iii) Clearing Member	10	278688	1.08%
iv) Non Resident Indians (NRI)	10	2639439	10.27%
v) NBFCs Registered with RBI	10	4000	0.02%
<b>Total (B2)</b>		<b>13562589</b>	<b>52.78%</b>
<b>Total (A1)+(A2)+(B1)+(B2)</b>			
		<b>25698361</b>	<b>100.00%</b>

As a part of this scheme, the company proposes to increase the share capital of the company in the following phases:

1. Invocation of Share Pledge Agreement thus transferring of part equity of promoters in favour of the lenders
2. Preferential allotment of the new shares to the promoters and new investor
3. Additional new shares issued to the lenders as conversion of a part of the existing loan into equity share capital.

With reference to the share pledge agreement, part equity shares of promoters will be transferred to the secured lenders: -

## Composite Scheme of Compromise And Arrangement

Particulars	Existing Shareholding		Post Pledge Invocation	
	No. of shares	% Holding	No. of shares	% Holding
<b>Promoters</b>	89,13,074	35%	14,50,569	6%
<b>Public</b>	1,67,85,298	65%	1,67,85,298	65%
<b>Lenders</b>	-	-	74,62,505	29%
<b>Total</b>	<b>2,56,98,372</b>	<b>100%</b>	<b>2,56,98,372</b>	<b>100%</b>

As a part of the scheme, promoter's along with an investor shall infuse funds to the tune of Rs. 250 crores. Also, the lenders will be issued shares as a part of conversion of their debt. Indicative shareholding pattern on implementation of Resolution Plan is as under:

Particulars	Post Pledge Invocation		Post capital raising of Rs. 250-crore		Post conversion of debt	
	Shares	%	Shares	%	Shares	%
<b>Promoters</b>	14,50,569	6%	11,68,35,185	54%	11,68,35,185	42.17%
<b>Public</b>	1,67,85,298	65%	1,67,85,298	8%	1,67,85,298	6.06%
<b>New Investor</b>	0	0%	7,69,23,077	35%	7,69,23,077	27.77%
<b>Lenders</b>	74,62,505	29%	74,62,505	3%	6,64,87,440	24.00%
<b>Total</b>	<b>2,56,98,372</b>	<b>100%</b>	<b>21,80,06,065</b>	<b>100%</b>	<b>27,70,31,000</b>	<b>100.00%</b>

**PART 3: COMPROMISE AND ARRANGEMENTS WITH CREDITORS**

Based on the characteristics of the Creditors and their interests in the Company, the Creditors have been classified into 4 categories:

- a) Financial Creditors
- b) Trade / Operational Creditors /Statutory Creditors
- c) Employees
- d) Contingent Liabilities

**A – Financial Creditors**

**Details of Facilities-Proposed**

S. No.	Particulars	Total Debt	Sustainable	Unsustainable
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
a)	Rupee Term Loan	55,900	22,102	33,798
b)	Working Capital Term Loan (WCTL)	82,400	32,579	49,821
c)	Funded Interest Term Loan (FITL)	26,100	10,319	15,781
d)	Fund based Working Capital Facilities	190,800	35,000	155,800
<b>Total (A)</b>		<b>355,200</b>	<b>100,000</b>	<b>255,200</b>

The detailed list of the above-mentioned financial creditors is attached herewith as **Annexure - A**.

The Scheme envisages the repayment of the above-mentioned financial creditors which is bifurcated as follows:

- (a) **Sustainable Debt** - Debt of INR 100,000 Lacs (Indian Rupees One Thousand Crores only);

The above-mentioned sustainable debt shall be further restructured as follows:

-



## Composite Scheme of Compromise And Arrangement

- (i) Term Loan: - Rs. 650 crores shall be converted into a Term Loan repayable over a period of 6 years. The repayment schedule is proposed as below: -

Sr No	Year	Amount (Rs. Lakhs)
1	Year 1 (March 2020)	200
2	FY 2020-21	202
3	FY 2021-22	60
4	FY 2022-23	57
5	FY 2023-24	85
6	FY 2024-25	46

The above term loan shall carry an interest of 10% per annum payable per quarter along with the instalments.

- (ii) Cash Credit: - Rs. 350 crores shall be converted into a Cash Credit facility which shall carry an interest of 10% per annum payable per month.

and

- (b) **Unsustainable Debt**- Debt of INR 2,55,200 Lacs (Indian Rupees Two Lakhs Fifty-Five Thousand Two Hundred Lacs only), which is to be restructured in the following manner:

- (i) **Unsustainable Debt** – Issuance of 2,46,78,05,079 Non-Convertible Debentures aggregating to INR 24,67,80,50,795/- to the Lenders having a coupon of 0.01% p.a;
- (ii) **Unsustainable Debt – Issue of Equity Shares** - Issuance of 5,90,24,935 Equity Shares (Face Value 10 Rs. Per share) aggregating to INR 76,73,24,155/- to the Lenders at a premium of Rs. 3 per share; and
- (iii) **Unsustainable Debt – Transfer of Pledged Shares** - Transfer of 74,62,505 Pledged Shares aggregating to INR 7,46,25,050 to the Lenders considered at the face value of Rs. 10 per share.

## Composite Scheme of Compromise And Arrangement

### B - Trade / Operational Creditors / Statutory Creditors

The Scheme envisages the proposed plan which is as follows:

S. No.	Particulars	Amount Rs. in Lakhs
<b>Trade Creditors</b>		
1	Vendor Balance Below 25000	103
2	Vendor Balance 25000 to 100000	540
3	Vendor Balance 100000 to 500000	2,653
4	Vendor Balance 500000 to 5000000	10,583
5	Vendor Balance above 5000000	9,149
	Sub Total	23,028
<b>Statutory Creditors</b>		
1	PF - Employee	129
2	PF - Employer	305
3	ESIC - Employee	5
4	ESIC - Employer	22
5	Profession Tax	11
6	Tax Deducted at Source	1,973
7	Excise and Service Tax	14
8	Goods and Service Tax	300
	Sub Total	2,759
	<b>Grand Total</b>	<b>25,787</b>

The detailed list of the above operational creditors is annexed herewith in **Annexure - B**.

The scheme envisages payment of 100% of the principle amount payable to the operational creditors based on the amount outstanding. The said payment shall be made over a period of 1 year to the creditors having outstanding below Rs. 1 lakh, within 3 years for creditors having outstanding more than 1 lakh and less than 5 lakhs and so on and so forth as mentioned in the table below. Further, company offers an exit window for these operational

## Composite Scheme of Compromise And Arrangement

creditors at specific intervals. Further, it is worth noting that no interest shall be payable to any of these creditors on their principle amount outstanding before or after the cut off date. The category wise discount offered at the exit window is summarised as follows: -

Sr No	At the End of	Below 1L	1L to 5 L	5L to 50 L	Above 50L
1	Year 9	NA	NA	NA	0%
2	Year 6	NA	NA	0%	39.14%
3	Year 3	NA	0%	34.25%	NA
4	Year 1	0%	20.28%	NA	NA
	Discount Rate considered	NA	12%	15%	18%
	Class of NCNCRPS	NA	Class D	Class C	Class B

NCNCRPS, of various classes, shall be issued to the operational creditors and a trust may be incorporated in order to give effect to the proposals as mentioned in the scheme with regards to these operational creditors.

**Table C–Employees**

Particulars	Amount
	Rs. in Lakhs
<b>Employees - Continuing</b>	553
<b>Employees – Discontinued</b>	539
<b>Total:</b>	1,091

The detailed list of the above employees is annexed herewith in **Annexure - C**.

The scheme proposes that the repayment to the continuing employees to be made over a period of 3 months from the effective date while the repayment of the discontinued employees to be made in 4 equal quarterly instalments starting from the end of the 3<sup>rd</sup> month from the effective date.

**Table D - Contingent Liabilities**

The Scheme envisages the proposed plan which is as follows:

S. No.	Particulars	Amount
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		Rs. in Lakhs
1	Maharashtra Value Added Tax	17,672
2	Service Tax	42,494
3	Tax Deducted at Source	1,833
4	Income Tax	7,761
5	Excise	253
6	Miscellaneous*	3,000
<b>Total</b>		<b>73,013</b>

\* Misc. includes statutory, GST and other liabilities which are yet to be crystalized.

The detailed list of the above liabilities/litigations is annexed herewith in **Annexure - D**.

The scheme seeks that the disputed cases against the company be decided from the approval of the scheme, without the requirement for payment of any pre deposit for filing an appeal. Once the said disputes are decided, the liability, if any shall be paid at par with the operational creditors of the company. NCNCRPS shall be issued to the said statutory creditors and a trust may be incorporated in order to give effect to the proposals as mentioned in the scheme with regards to these operational creditors.

### 3.1. Scheme of Arrangement with the Shareholders-

As a part of the scheme, promoter's along with the investor shall infuse funds to the tune of Rs. 250 crores. Also, the lenders will be issued shares as a part of conversion of their debt. Indicative shareholding pattern on implementation of Resolution Plan is as under:

Particulars	Post Pledge Invocation		Post capital raising of Rs. 250-crore		Post conversion of debt	
	Shares	%	Shares	%	Shares	%
<b>Promoters</b>	14,50,569	6%	11,68,35,185	54%	11,68,35,185	42.17%
<b>Public</b>	1,67,85,298	65%	1,67,85,298	8%	1,67,85,298	6.06%
<b>New Investor</b>	0	0%	7,69,23,077	35%	7,69,23,077	27.77%
<b>Lenders</b>	74,62,505	29%	74,62,505	3%	6,64,87,440	24.00%
<b>Total</b>	<b>2,56,98,372</b>	<b>100%</b>	<b>21,80,06,065</b>	<b>100%</b>	<b>27,70,31,000</b>	<b>100.00%</b>

### 3.2. ECONOMIC VIABILITY OF FUTURE OPERATIONS

**3.2.1.** The revenue assumption table Economic viability of future operations for the next 5 years have been summarized in a separate excel sheet attached as **ScheduleNo.4**

**3.2.2.** The Infrastructure sector in India is traversing through one of its most interesting phases today. If we look at our growth pattern over the past few years, we will realize how important it is for a country to have a strong infrastructure to enable growth and development. It's imperative that the nation prepares itself for the future and the next anticipated growth curve. Infrastructure projects, such as urban public transport systems like metros, expressways, superior quality highways, flyovers, and world class airports will enable to achieve the next trajectory with higher GDP growth. Opportunities in water and environmental engineering are immense. Investment of Rs. 2.3 trillion (\$55 billion) is proposed for water resource management in the eleventh five-year plan.

India boasts of having one of the largest road networks in the world, spanning over a total of 5.6 million km. The Government of India plans to increase the length of national highways from the current record of 122,432 km to 200,000 km. The value of the total roads and bridges infrastructure in India is estimated to expand at a CAGR of 13.6 per cent. The Government has given a massive boost to infrastructure by allocating Rs. 5.97 lakh crore (US\$ 92.2 billion) for infrastructure. The Government of India plans to invest Rs. 1.45 lakh cr (US\$ 22.40 billion) towards road infrastructure in North-East region. On the whole, the country is expected to see a lot of activity in the infrastructure sector in the near future.

Company has credentials of more than 350 Crores of single work completion certificates in each vertical like roads, bridge, building, power distribution and Company has an existing capex operational in more than 13 state of the country. This gives tremendous band width to the Company for getting and implementing projects with fairly brisk pace and since major BOT projects are either completed or support funding being completed by (NHA one time fund in Panvel Indapur) Company can focus on EPC and ramp up the operations without major Capex or qualification building exercise as equity requirement of the Company also negligible and cash flow from BOT project have started.

### **Part 4: ACCOUNTING TREATMENT IN BOOKS OF ACCOUNTS**

Upon the scheme becoming effective, the Company shall give effect to the accounting treatment in its books of accounts in accordance with the accounting standards specified under the Section 133 of the Act read with the Companies (India Accounting Standards) Rules, 2015 or any other relevant or related requirement under the Act, as applicable on the effective date.

#### **4.1. Investment by the Promoters and/or Investor and Issuance of Securities by the Company**

Immediately upon sanctioning of the Scheme by the court the Promoters and/or investor shall, as part of the Scheme, make arrangement of funds over a period of 120 days of sanction of the scheme collectively to contribute for the funds. The Promoters and/or investor shall invest funds through any of their companies, entities, affiliates, associates or any of their nominees as share capital, as per the requirement from time to time for meeting the cost of various projects and implementation of various projects that SILL shall be undertaking.

#### **4.2. The company shall issue and allot such number of Equity Shares of the Company at such price and on such terms and conditions of the Scheme more particularly described in **Part - 3****

#### **4.3. The sanction to the Scheme by the shareholders of the company and by the Hon'ble NCLT shall be deemed to be sufficient compliance of provisions of Section 42, Section 48, Section 62 and other applicable provisions of the Companies Act 2013, and the rules and regulations made thereunder and that the company shall not be required to obtain any other approval or to comply with any other statutory provision for the allotment of securities/instruments to the investor.**

#### **4.4. The amounts infused in the company by Promoters and/or investor will be deposited in separate designated account of the company viz; Trust and Retention Account vested with the State Bank of India and will be utilised for implementation of the Scheme. Furthermore, the said account will be monitored by the Monitoring Committee appointed by the Financial Creditors.**

**PART – 5**

**GENERAL TERMS AND CONDITIONS**

**5.1. RELIEFS AND CONCESSIONS**

**5.1.1.** The company be granted a period of six (6) months from the Appointed date to complete all the pending compliances under the applicable law including income tax act, companies act indirect taxes etc.

**5.1.2.** The statutory authorities including but not limited to Registrar of Companies, Securities and Exchange Board of India (SEBI), Income Tax Department, Excise Department, Service Tax Department, GST Department, PF Department and any other department or authority if applicable be directed not to initiate any proceedings, civil as well as criminal, in respect of non-compliance of the provisions of the act on the part of the company and/or is directors/shareholders under the applicable laws.

**5.1.3.** The company be granted immunity under applicable laws including Companies Act 2013, Income Tax Act 1961, Goods & Services Tax Act 2017, The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2018, The Securities and Exchange Board of India ( Depositories and Participants), Regulations, 2018 from payment of interest, penalty charges of any kind and any nature whatsoever for non-compliance thereunder in view of the fact that SILL could not complete statutory compliances as mentioned due to various reasons as stated in the scheme.

**5.1.4.** The Income Tax department be directed to stay the demands and vacate the ex parte orders and to allow SILL to file Appeal(s)/Revision Applications and any other proceedings before the appropriate authorities and or Court and any delay in filing such proceedings be condoned and interest and penalties be waived.

**5.1.5.** All the cases, civil as well as criminal, filed against the company, its directors (including erstwhile directors) and officers be vacated or stayed sine-die.

**5.1.6.** Upon the scheme becoming effective, if any suit, writ petition, appeal, revision, claim and litigation, disputes or other proceedings of whatsoever nature (including proceedings under IBC) (herein after called the 'proceedings') against the SILL or its Promoters/ Directors/ Officials by any of the existing creditors, are filed/ pending before any court or authority under any act, the same shall remain suspended and shall not proceed further till the final disposal of the scheme. The same shall be terminated on the Effective date of the scheme and the rights, obligations and liabilities of the creditors under the scheme shall be governed by the terms of the scheme.

**5.1.7.** In order to comply with law of natural justice, the company proposes to accept reconciliation of any of the liabilities of the creditors within 30 days from public announcement. The said reconciliation shall be with regards to the amount booked and considered by the company and the amount claimed by the creditor. However, it should be noted that any of the unclaimed / uninformed / unreported / unknown / un-booked liability / litigation /, whether specifically provided for or not provided for in the scheme, arising due to the actions and/or inactions of the company prior to the cut-off date, capable of generating any financial impact on the company after the cut-off date, shall hereby stand abated/annulled/satisfied. Similarly, any non-compliance, to any provision /law / rule prior to the effective date shall hereby stand eased / ratified / cured.

### **5.2. APPLICATION TO THE HON'BLE NCLT**

That the SILL shall, with all reasonable dispatch, make applications to the Hon'ble NCLT, Mumbai Bench for sanctioning this Scheme under Sections 230 of the Companies Act, 2013.

### **5.3. MODIFICATION OR AMENDMENTS TO THE SCHEME**

SILL by its board of directors or any persons authorized by SILL may assent to any modifications/ amendments to the scheme or to any conditions or limitations that the NCLT and/or any other authority may deem fit to direct or impose, or make such modifications/ amendments which may otherwise be considered necessary, desirable or appropriate by SILL in its sole discretion. SILL by its board of directors be and is hereby authorized to take all such steps as may be necessary, desirable or proper for the purposes of implementing the scheme and to resolve any doubts, difficulties or questions regarding the implementation of this scheme or otherwise arising under this scheme, whether by reason of any directive or orders of



any other authorities or otherwise however arising out of or under or by virtue of the scheme and/or any matter concerned or connected therewith.

### 5.4. CONDITIONALITY OF THE SCHEME

That the Scheme is and shall be conditional upon and subject to:

- a) The sanction or approval under any law or of the central government or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which sanction or approval is required.
- b) The approval by the requisite majority of the shareholders and classes of the creditors as directed by the NCLT under Section 230 of the Companies Act, 2013.
- c) The sanctioning of this scheme by the Hon'ble NCLT under section 230 to 232 of the Act, whether with any modifications or amendments as the Hon'ble NCLT may deem fit or otherwise.
- d) Certified or authenticated copy of the Order of the Hon'ble NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai as may be applicable.
- e) All other sanctions and orders as are legally necessary or required in respect of the scheme being obtained.
- f) If any part of this Scheme is found to be unworkable or if implementation of this scheme is delayed for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and /or provisions of this Scheme. The Company shall have the right to implement such part(s) as may be applicable or feasible. The decision of the Company shall be final and binding in this respect.
- g) In case respective part of the Scheme is approved by the requisite majority of class/ classes of creditors/ members, any modification of respective portion of the Scheme proposed by any other class or classes of creditors/members shall not be required to be approved again by class of creditor/member who has already approved their part of the Scheme.

### **5.5 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

In the event of any of the said sanctions and approvals referred to in the preceding Clauses not being obtained and/or the Scheme not being sanctioned by the Hon'ble NCLT or such other competent authority and/or the Order not being passed as aforesaid within such further period or periods, the Boards of Directors of SILL is hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

### **5.6. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing this scheme and matters incidental thereto shall be borne by the SILL.

### **5.7. OTHER GENERAL TERMS & CONDITIONS**

- a. The new equity shares to be issued and allotted by the Company, as mentioned above, shall rank pari-passu with each other.
- b. The new equity shares so issued by the Company shall be listed and/or admitted to trading on relevant stock exchanges where the equity shares of the Company are listed and/or admitted to trading subject to the necessary approvals from respective stock exchanges.
- c. Approval of this scheme by the shareholders of the Company shall, without any further act or deed, be deemed to be the due compliance of the provisions of Section 42, 48, 62 of the Act, and such other regulations as are relevant and applicable for the issue and allotment of new equity shares by the Company.
- d. The Company shall, if and to the extent required, apply for and obtain any permissions, sanctions or approvals from concerned authorities for the issue and allotment by the Company of New Equity Shares under the Scheme.
- e. The day to day affairs of the Company will be managed by the key management personnel of the Company with guidance from the Chairman and Managing Director and Board of Directors. The management will ensure that the Scheme shall

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be implemented in accordance with the compliance of all the applicable laws and regulations governing the terms and conditions of this Scheme and shall not contravene any of the provisions of the law for the time being in force. The implementation and supervision of the Scheme will be managed by the key management personnel of the Company with guidance from the Chairman and Managing Director and the Board of Directors and will be monitored by the Monitoring Committee.

- f. The applicant may assent to any alterations/modifications/amendments to the scheme or to any conditions or limitation that the NCLT and/or any other authority may deem fit to approve, direct or impose or which may otherwise be considered necessary, desirable or appropriate by the applicant. The applicant may withdraw the Scheme if any alteration/modification/amendment thereto is not acceptable to him. The applicant shall have the authority to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or order of the NCLT and/or any authority or otherwise, howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

### **Part 6: Pending Litigations**

The list of pending Litigations filed by/or against the company describe category wise vide **Schedule No .5**