



SIFL/SECT/KS/18-19/95
July 27, 2018

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Fax: 022-2272 2037/2039/2041/3121
BSE Scrip Code: 523756

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot no. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Fax: 022-2659 8237/38; 2659 8347/48
NSE Symbol: SREINFRA

Dear Sir/Madam,

Re: Withdrawal of disclosure dated 14th January, 2015 made pursuant to Regulation 29(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations") in relation to acquisition of shares of Deccan Chronicle Holdings Limited ("Target Company")

We refer to the disclosure dated 14th January, 2015 ("**Disclosure**") made by us under Regulation 29(1) of the SAST Regulations in relation to our acquisition of 66,037,735 equity shares of the Target Company pursuant to conversion of a part of our loans extended to the Target Company. A copy of the Disclosure is enclosed for your ready reference and marked as **Annexure A**.

During the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 ("**IBC**") of the Target Company, we came to know that no allotment of the said 66,037,735 equity shares was ever made to us by the Target Company. Upon receiving such information, we immediately filed necessary application before the Hon'ble National Company Law Appellate Tribunal ("**NCLAT**") in our own appeal bearing Company Appeal (AT) (Insolvency) No. 316 and 317 of 2018 filed against order dated 16th November, 2017 passed by the National Company Law Tribunal, Hyderabad in our application under section 60(5) of the IBC filed by us to set aside the decision of the Resolution Professional and the Committee of Creditors of the Target Company to treat us as a related party of the Target Company by reason of our said shareholding in the Target Company.

We are now pleased to inform that the Hon'ble NCLAT vide its judgment and order dated 20th July, 2018 has been pleased to hold that we are not a shareholder of the Target Company as the said 66,037,735 equity shares were never allotted to us. A copy of the said order dated 20th July, 2018 is enclosed for your ready reference and marked as **Annexure B**.

We now humbly submit that in view of the aforesaid order dated 20th July, 2018 of the Hon'ble NCLAT, the Disclosure made by us on 14th January, 2015 has become invalid in the eyes of law. Accordingly, we hereby request you to treat the Disclosure to be withdrawn.

Thanking you,



Srei Infrastructure Finance Limited

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700 046
Tel.: +91 33 22850112-15, 61607734 Fax: +91 33 2285 8501/7542
Email: corporate@srei.com Website: www.srei.com



Yours faithfully,
For Srei Infrastructure Finance Limited

Sandeep K. Lakhota

Sandeep Lakhota
Company Secretary
FCS 7671



Encl: as above

Srei Infrastructure Finance Limited

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700 046

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Email: corporate@srei.com Website: www.srei.com



SIFLASECT\KK\14-15\175

January 14, 2015

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	The National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051
Deccan Chronicle Holdings Limited No.36, Sarojini Devi Road, Secunderabad Telangana – 500 003	

Dear Sir/Madam,

Sub: Disclosure pursuant to Regulation 29(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in relation to the acquisition of shares of Deccan Chronicle Holdings Limited (the “Target Company”)

Pursuant to the disclosure required to be made under Regulation 29(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, please find enclosed herewith the disclosure in respect of the acquisition of Equity shares of Deccan Chronicle Holdings Limited (the “Target Company”) on 12th January, 2015 in accordance with the orders of the Hon'ble Debt Recovery Tribunal – I, Kolkata dated 24th December, 2014.

For Srei Infrastructure Finance Limited

Authorised Signatory

Encl: as above

Srei Infrastructure Finance Limited

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700 046

Tel.: +91 33 22850112-15, 61607734 Fax: +91 33 2285 8501/7542

Website: www.srei.com

Disclosures under Regulation 29(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Part – A – Details of the Acquisition

Name of the Target Company (TC)	DECCAN CHRONICLE HOLDINGS LIMITED		
Name(s) of the acquirer and persons Acting in Concert (PAC) with the acquirer	SREI INFRASTRUCTURE FINANCE LIMITED		
Whether the acquirer belongs to Promoter/ Promoter group	No		
Name(s) of the stock Exchanges(s) where the shares of TC are Listed	BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED		
Details of the acquisition as follows	Number	% w.r.t. total share / voting capital wherever applicable	% w.r.t. total diluted share / voting capital of the TC
Before the acquisition under consideration, holding of acquirer along with PACs of:			
a) Shares carrying voting rights	Nil	N.A.	N.A.
b) Shares in the nature of encumbrance (pledge / lien / non – disposal undertaking / others)			
c) Voting rights (VR) otherwise than by equity shares			
d) Warrants / convertible securities / any other instrument that entitles the acquirer to receive shares carrying voting rights in the TC (specify holding in each category)			
e) Total (a+b+c)	Nil	N.A.	N.A.
Details of Acquisition			
a) Shares carrying voting rights acquired	6,60,37,735 (Note 1)	24.01%	24.01%
b) VRs acquired otherwise than by equity shares			
c) Warrants / convertible securities / any other instrument that entitles the acquirer to receive shares carrying voting			

rights in the TC (specify holding in each category) acquired			
d) Shares in the nature of encumbrance (pledge / lien / non – disposal undertaking / others)			
e) Total (a+b+c+/-d)	6,60,37,735	24.01%	24.01%
After the acquisition, holding of acquirer along with PACs of:			
a) Shares carrying voting rights acquired	6,60,37,735	24.01%	24.01%
b) Shares in the nature of encumbrance (pledge / lien / non – disposal undertaking / others) Shares pledged with the acquirer			
c) VRs otherwise than by equity shares			
d) Warrants / convertible securities / any other instrument that entitles the acquirer to receive shares carrying voting rights in the TC (specify holding in each category) after acquisition			
e) Total (a+b+c)	6,60,37,735	24.01%	24.01%
Mode of acquisition (e.g. open market / public issue / rights issue / preferential allotment / inter – se transfer / encumbrance, etc.)	(Note 1)		
Salient features of the securities acquired including time till redemption, ratio at which it can be converted into equity shares, etc.)	EQUITY SHARES		
Date of acquisition of / date of receipt of intimation of allotment of shares / VR / warrants / convertible securities / any other instrument that entitles the acquirer to receive shares in the TC.	12.01.2015		
Equity share capital / total voting capital of the TC before the said acquisition	20,89,72,219 fully paid up Equity Shares of Rs. 2 each		
Equity share capital / total voting capital of the TC after the said acquisition	27,50,09,954 fully paid up Equity Shares of Rs. 2 each		
Total diluted share / voting capital of the TC after the said acquisition	27,50,09,954 fully paid up Equity Shares of Rs. 2 each		

Part – B***

Name of the Target Company: DECCAN CHRONICLE HOLDINGS LIMITED

Name(s) of the acquirer and Persons Acting in Concert (PAC) with the acquirer	Whether the acquirer belongs to Promoters / Promoter group	PAN of the acquirer and / or PACs
SREI INFRASTRUCTURE FINANCE LIMITED	No	AAACS1425L

For Srei Infrastructure Finance Limited

Sandeep K. Lakhotia

Authorised Signatory

Place: Kolkata

Date: 14.01.2015

Note 1: Deccan Chronicle Holdings Limited (DCHL) has pursuant to orders of the Hon'ble Debt Recovery Tribunal – I, Kolkata dated 24.12.2014 issued and allotted 6,60,37,735 Equity shares of Rs. 2 each at a premium of Rs. 1.18 per share to Srei Infrastructure Finance Limited (Srei) being a lender to DCHL. The shares have been issued by DCHL pursuant to the conversion option exercised by Srei as directed by the said orders of the Hon'ble Debt Recovery Tribunal – I, Kolkata dated 24.12.2014.

IN THE NATIONAL COMPANY LAW APPELLATE TRIBUNAL

Company Appeal (AT) (Insolvency) No. 316 and 317 of 2018

[arising out of Order dated 8th June 2018 by NCLT, Principal Bench, New Delhi in C.P. No. (IB)-75(PB)/2018]

IN THE MATTER OF :

SREI Infrastructure Finance Ltd.

Appellant

Vs.

Canara Bank & Ors.

Respondents

Present:

For Appellant : Mr. Sudipto Sarkar, Senior Advocate with Mr. Abhijeet Sinha, Mr. Arijit Majumdar, Mr. Shambo Nandy and Mr. Saikat Sarkar, Advocates

For Respondents: Mr. Alok Dhir, Ms. Varsha Babnerjee, Mr. Tarun Mehta and Mr. Kunal Godhwani, Advocates for Respondents

J U D G M E N T

SUDHANSU JYOTI MUKHOPADHAYA, J.

The Appellant SREI Infrastructure Finance Limited (Financial Creditor) filed an application under Section 60(5) of the Insolvency and Bankruptcy Code 2016 (hereinafter referred to as "I & B Code") for direction to Resolution Professional of Deccan Chronical Holdings Limited ('Corporate Debtor') [in C.P (IB) No. 41/7/HDB/2017] to allow the Appellant as a member of the Committee of Creditors and to participate and vote in the said meeting.

2. The Resolution Professional refused to allow the appellant as member of the Committee of Creditors on the ground that the appellant is “related party” in relation to the Corporate Debtor. The aforesaid decision has been upheld by the Adjudicating Authority (National Company Law Tribunal) Hyderabad Bench, Hyderabad by impugned order dated 15th November 2017. The prayer for interim stay was also rejected by the Adjudicating Authority on the same day.

3. Before the Adjudicating Authority the case of the appellant was that it disbursed a sum of Rs. 240 Crores (Rs. Two Hundred Forty Crore) to the Corporate Debtor against the grant for time value of money. The money was borrowed by the Corporate Debtor against payment of interest. It was Corporate Debtor who converted and allotted 6,60,37,735 equity shares of Rs. 2/- each at a premium of Rs. 1.18 per share. Thereby a sum of Rs. 20 Crores (Rs. Twenty Crores) was converted out of the Rs. 240 Crores/- investment, which actually constitute part of the investment. Therefore, the Appellant cannot be treated to be a shareholder common for all purpose in strict sense.

4. The case of the Resolution Professional is that the appellant is a shareholder having more than 20% share with related party. In his affidavit the Resolution Professional has taken following plea:-

“7. That as per the records of the Corporate Debtor, a meeting of Preferential Issue Committee was held on 8th September, 2014. In the said meeting, 6,60,37,735 equity shares of the Corporate Debtor were issued and allotted to SREI Infrastructure Limited (Appellant) for an

amount of Rs. 3.18 per equity share. A copy of extract of resolution passed in the meeting of Preferential Issue Committee held on 8th September 2014 is annexed herewith and marked as '**Annexure-A4**'.

8. That as per records of Corporate Debtor and also available on MCA Portal, e-form PAS-3 (i.e. Return of allotment) was filed with the Registrar of Companies following are the details of said the allotment:

<i>Date of allotment</i>	08/09/2014
<i>Number of securities allotted</i>	66,037,735
<i>Nominal amount per security (in Rs.)</i>	2.00
<i>Total nominal amount (in Rs.)</i>	132,075,470.00
<i>Amount to be treated as paid up (in Rs.)</i>	2.00
<i>Premium amount per security (if any) (in Rs.)</i>	1.18
<i>Total premium amount (if any) (In Rs.)</i>	77,924,527.00
<i>Consideration for which such securities have been allotted</i>	Conversion of Loans
<i>Value (In Rs.)</i>	209,999,997

That as per the said e-form PAS-3 following is the Capital structure of the company (Corporate Debtor) after taking into consideration the above allotment(s) of the shares:

<i>Particulars</i>	<i>Authorized Capital</i>	<i>Issued capital</i>	<i>Subscribed capital</i>	<i>Paid-up capital</i>
<i>Number of equity shares</i>	35,00,00,000	27,50,09,954	27,50,09,054	27,50,09,954
<i>Nominal value per equity share</i>	2	2	2	2
<i>Total amount of equity share</i>	700,000,000	550,019,908	550,019,908	550,019,908

*A copy of e-form PAS-3 (along with the attachments, as filed with the Registrar of companies), a copy of the order of Hon'ble Debt Recovery Tribunal-1 (Kolkata) [Hon'ble DRT-1] dated 24/12/2014 and copy of share certificate in the name of Appellant, as available in the records of Corporate Debtor are annexed herewith and marked as **'Annexure-A5 COLLY'**.*

9. *That as per the website of Bombay Stock Exchange ('BSE'), a disclosure under Regulation 29(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 was filed by the Appellant to BSE. A copy of disclosure under Regulation 29(1) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 filed by Appellant to Bombay Stock Exchange is annexed herewith and marked as **'Annexure-A6'**.*

10. *That as per the records of the Corporate Debtor, it has sent letters dated 12th January, 2015 to NSE and BSE intimating about the preferential issue of 6,60,37,735 equity shares of Rs. 2 each at a premium of Rs. 1.18 per share to SREI Infrastructure Finance Limited(Appellant) and it was referred in the said letter that pursuant to orders of Hon'ble DRT-1 dated 24th December 2014, pursuant to Board Meeting date^{4d} 16th January 2014 and meeting of preferential issue committee dated 8th September 2014, DCHL has issued and allotted 6,60,37,735 equity shares of Rs. 2 each at a premium of Rs. 1.18 per share to SREI Infrastructure Finance Limited. Also, it was stated in the intimation letter that the allotment is subject to the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, Listing Agreement signed with the Bombay Stock Exchange, National Stock Exchange of India Limited, guideless issued by Reserve Bank of India and other applicable laws."*
5. Section 5(24) defines related party in relation to a Corporate Debtor, which reads as follows: -

“24. *“related party”, in relation to a corporate debtor, means—*

(a) a director or partner of the corporate debtor or a relative of a director or partner of the corporate debtor;

(b) a key managerial personnel of the corporate debtor or a relative of a key managerial personnel of the corporate debtor;

(c) a limited liability partnership or a partnership firm in which a director, partner, or manager of the corporate debtor or his relative is a partner;

(d) a private company in which a director, partner or manager of the corporate debtor is a director and holds along with his relatives, more than two per cent. of its share capital;

(e) a public company in which a director, partner or manager of the corporate debtor is a director and holds along with relatives, more than two per cent. of its paid-up share capital;

(f) anybody corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;

(g) any limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;

(h) any person on whose advice, directions or instructions, a director, partner or manager of the corporate debtor is accustomed to act;

(i) a body corporate which is a holding, subsidiary or an associate company of the corporate debtor, or a subsidiary of a holding company to which the corporate debtor is a subsidiary;

(j) any person who controls more than twenty per cent. of voting rights in the corporate debtor on account of ownership or a voting agreement;

(k) any person in whom the corporate debtor controls more than twenty per cent. of voting rights on account of ownership or a voting agreement;

(l) any person who can control the composition of the board of directors or corresponding governing body of the corporate debtor;

(m) any person who is associated with the corporate debtor on account of—

(i) participation in policy making processes of the corporate debtor; or

(ii) having more than two directors in common between the corporate debtor and such person; or

(iii) interchange of managerial personnel between the corporate debtor and such person; or

(iv) provision of essential technical information to, or from, the corporate debtor;”

6. Therefore, it is held that the appellant controls more than twenty per cent of the voting rights in the Corporate Debtor on account of ownership or a voting agreement, the appellant to be treated as a related party in relation to a Corporate Debtor and thereby cannot be made member of the Committee of Creditors, even if the appellant is also a ‘financial creditor’.

7. Learned counsel appearing on behalf of the appellant referred to this plea taken by Resolution Professional and the enclosures attached which is affidavit including the Balance Sheet of the “Deccan Chronicle Holdings Limited” as at 18th July 2017 (Annexure A-14) and as at 31st March 2016 (at page 165 and 166), both which reads as follows:-

DECCAN CHRONICLE HOLDINGS LIMITED

BALANCE SHEET AS AT 31st MARCH 2016

Amount in Rs.

Particulars	Note No.	As at 31.03.2016		As at 31.03.2015	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share capital	3	417,944,438		417,944,438	
(b) Reserves and surplus	4	(873,964,825)		(718,181,936)	
			(456,020,387)		(300,237,498)
(2) Non-current liabilities					
(a) Long-term borrowings	5	-		-	
(b) Other Long term liabilities	6	70,857,073		71,819,814	
(c) Long-Term provisions	7	138,117,054		137,516,135	
			208,974,129		209,335,949
(3) Current liabilities					
(a) Short-term borrowings	8	37,504,377,908		37,534,582,905	
(b) Trade payables	9	808,933,907		792,142,308	
(c) Other current liabilities	10	2,501,039,623		2,494,158,343	
			40,814,371,435		40,820,863,556
Total			40,566,925,177		40,699,962,007
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	11(a)	6,293,357,287		6,689,676,244	
(ii) Intangible assets	11(b)	-		4,543,343	
(iii) Capital work-in-progress	11(c)	1,923,228,278		1,913,790,642	
(iv) Intangible Assets under Development (Refer Note No. 24.3 & 24.E)		29,053,188,397		29,053,188,397	
(b) Long term loans and advances	12	244,664,614		186,962,749	
			37,514,438,576		37,890,361,173
(2) Current assets					
(a) Inventories	13	105,784,493		108,826,600	
(b) Trade receivables	24	1,817,471,665		1,660,617,956	
(c) Cash and cash equivalents	15	132,268,213		138,436,887	
(d) Short term loans and advances	16	473,533,190		450,100,142	
(e) Other Current Assets	17	523,409,038		491,611,517	
			3,052,486,401		2,849,600,832
Total			40,566,925,177		40,699,962,007
Significant Accounting Policies	2				
Other Notes forming part of the Financial Statements	24				

As per our Audit Report U/S 44AB of the Income Tax Act
For C.B.Mouli & Associates
Chartered Accountants

For and on behalf of the Company

Sd/-
Mani Oommen
Partner

Sd/-
T. Vinayak Reddy
Vice-Chairman & Managing Director

Place Secunderabad
Date: 12th October 2016

Certified True Copy
For Deccan Chronicle Holdings Ltd.


Authorized Signatory

3. Share Capital

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
(a) Authorized Share Capital Equity shares of Rs.2/- each	350,000,000	700,000,000	350,000,000	700,000,000
(b) Issued Share Capital (Refer Note No.3.d) Equity shares of Rs.2/- each	208,972,219	417,944,438	208,972,219	417,944,438
(c) Subscribed and fully paid up Share Capital (Refer Note No.3.d) Equity shares of Rs.2/- each	208,972,219	417,944,438	208,972,219	417,944,438
Total	208,972,219	417,944,438	208,972,219	417,944,438

3 (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Equity shares of Rs.2/- each with voting rights At the beginning of the year	208,972,219	417,944,438	208,972,219	417,944,438
Add: Shares issued during the year (Refer Note No.3.d)	-	-	-	-
Outstanding at the end of the year	208,972,219	417,944,438	208,972,219	417,944,438

3 (b) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

3 (c) Details of shares held by each shareholder holding more than 5% shares: (Refer below Note)

The information regarding each shareholder holding more than 5% as on 31.03.2016 is not available.

3.d. As part of conversion of debt into equity, 6,60,37,735 Non equity shares were allotted during the year for which necessary forms have been also filed with the Registrar of Companies (ROC). However, allotment of equity shares was not recognised / accounted in the books of accounts since the allotment of shares was not approved by the stock exchanges by stating that the allotment was not as per the guidelines prescribed by the stock exchanges.

DECCAN CHRONICLE HOLDINGS LIMITED

BALANCE SHEET AS AT 31st MARCH 2017

Amount in Rs.

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016	
I. EQUITY AND LIABILITIES					
(I) Shareholders' Funds					
(a) Share capital	3	417,944,438		417,944,438	
(b) Reserves and surplus	4	(1,249,032,076)		(873,964,825)	
			(931,087,638)		(456,020,387)
(II) Non-current liabilities					
(a) Other Long term liabilities	5	68,872,608		70,457,075	
(b) Long-Term provisions	6	137,312,717		138,112,054	
			206,185,325		208,569,129
(III) Current liabilities					
(a) Short-term borrowings	7	39,877,226,996		39,771,426,996	
(b) Trade payables	8	547,868,973		508,933,907	
(c) Other current liabilities	9	407,783,624		234,010,532	
			40,933,321,993		40,814,371,435
Total			40,208,419,280		40,566,925,177
II. ASSETS					
(I) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	10(a)	6,033,133,016		6,293,307,307	
(ii) Capital work-in-progress	10(c)	1,927,171,820		1,923,228,278	
(iv) Intangible Assets under Development (Refer Note No. 23.4)		29,053,188,397		29,053,188,397	
(v) Long term loans and advances	11	198,167,591		244,664,614	
			37,211,462,824		37,514,438,576
(II) Current assets					
(a) Inventories	12	40,431,626		105,784,495	
(b) Trade receivables	13	1,836,273,072		1,817,471,605	
(c) Cash and cash equivalents	14	94,582,570		132,288,213	
(d) Short term loans and advances	15	491,538,681		473,533,190	
(e) Other Current Assets	16	530,950,527		523,409,038	
			2,996,756,456		3,052,486,601
Total			40,208,419,280		40,566,925,177
Significant Accounting Policies	2				
Other Notes forming part of the Financial Statements	23				

As per our Audit Report U/S 44AB of the Income Tax Act
For C.B. Mulla & Associates
Chartered Accountants

For and on behalf of the Company

Mani Gommen
Partner

P.S.V. Krishnappa
Dy. Chief Executive Officer

Place: Secunderabad
Date: 30th October 2017

Certified True Copy
For Deccan Chronicle Holdings Ltd.


Authorised Signatory

3. Share Capital

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
(a) Authorized Share Capital Equity shares of Rs.2/- each	350,000,000	700,000,000	350,000,000	700,000,000
(b) Issued Share Capital (Refer Note No.3.d) Equity shares of Rs.2/- each	208,972,219	417,944,438	208,972,219	417,944,438
(c) Subscribed and fully paid up Share Capital Equity shares of Rs.2/- each	208,972,219	417,944,438	208,972,219	417,944,438
Total	208,972,219	417,944,438	208,972,219	417,944,438

3 (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Equity shares of Rs.2/- each with voting rights At the beginning of the year	208,972,219	417,944,438	208,972,219	417,944,438
Add: Shares issued during the year (Refer Note No.3.d)	-	-	-	-
Outstanding at the end of the year	208,972,219	417,944,438	208,972,219	417,944,438

3 (b) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: Nil

3 (c) Details of shares held by each shareholder holding more than 5% shares (Refer below Note)

The information regarding each shareholder holding more than 5% as on 31.03.2017 is not available.

3.d. As part of conversion of debt into equity, 6,60,37,735 Nos equity shares were allotted to one of the lender during the year 2014-15 for which necessary forms have been also filed with the Registrar of Companies (ROC). However, allotment of equity shares has not been recognized / accounted in the books of accounts pending clarifications.

8. From the note below the Balance Sheet as on 31st March 2016, para 3(d) which is clear as part of conversion of debt into equity, 6,60,37,735 Nos. of equity shares were allotted during which necessary forms have been also filed with the Registrar of Companies. However, allotment of equity shares was not recognized/accounted in the books of accounts since the allotment of shares was not approved by the stock exchange by stating that allotment was not as per guidelines prescribed by the stock exchange. Such note has been reiterated in the Balance Sheet as on 31st March 2017 and the Balance Sheet as on 18th July 2017.

9. The Balance Sheet has been produced by the Resolution Professional but we find that he has failed to notice the note below the Balance Sheet which was not recognised as allotment of equity shares in favour of the appellant.

10. Neither the Resolution Professional or the Committee of Creditors nor the Adjudicating Authority can go beyond record of the Corporate Debtor including the Balance Sheet as on 18th July 2017.

11. The appellant has disbursed the amount of Rs. 240 Crores in favour of Corporate Debtor in consideration of time value of money as the Corporate Debtor borrowed the loan amount for its business is not in dispute. Thereby, status of the appellant as a 'financial creditor' has not been disputed. But mainly on the ground that he is a 'related party' as defined under Section 24, he has not been allowed to be member of the Committee of Creditors.

12. The findings of Resolution Professional and the Adjudicating Authority being not based on the records of the Corporate Debtor and as it has been found that even after the date of triggering of Corporate Insolvency Resolution Process, the amount of Rs. 20 Crores out of Rs. 240/- Crores investment has not been legally approved as equity share nor recognised by the competent authority that is the Registrar of Companies and the stock exchange, we hold that the appellant cannot be treated to be a 'related party' in relation to Corporate Debtor as defined under Section 24.

13. The Adjudicating Authority has failed to take into consideration the aforesaid facts and wrongly held that the appellant is a 'related party' in relation to the Corporate Debtor, we set aside the impugned order dated 16th November 2017.

14. The Resolution Professional, the members of the 'Committee of Creditors' and the Adjudicating Authority are directed to treat the appellant as one of the member of the 'Committee of Creditors'. We further direct to call for a meeting of the 'Committee of Creditors' after intimating the appellant and to consider the Resolution Plan in accordance with Section 30(4). The Resolution Plan, if earlier approved in absence of appellant - 'financial creditor', being illegal is to be ignored.

15. The appellant will take part in the meeting of the 'Committee of Creditors' but will not raise unnecessarily any objection, if resolution plan already approved by the 'Committee of Creditors'. If such plan is the best out of the rest, viable and feasible, and taken into consideration all factors under Section 30(2) and if the Resolution Applicant is not ineligible under Section 29(A), the appellant will concur with the rest of the members of the 'Committee of Creditors' without raising any objection. However, if there is some better Resolution Plan, the appellant may bring it to the notice of the rest of the 'Committee of Creditors'.

16. For the purpose of counting the total period of 'corporate insolvency resolution process', the period of pendency of the appeal i.e. from 11th December 2017 till the date of this judgement be excluded. Once one or other resolution plan is approved, Resolution Professional will place the same before the Adjudicating Authority for its order under Section 31.

17. The appeals are allowed with the aforesaid observations and directions.

No cost.

(Justice S.J.Mukhopadhaya)
Chairperson

(Justice Bansi Lal Bhat)
Member (Judicial)

New Delhi

Dated: 20th July 2018

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