



THE SIRPUR PAPER MILLS LIMITED

Website : www.sirpurpaper.com

CIN : L21010TG1938PLC000591

Telephones : 040-23236301 / 23298705

E-mails : registeredoffice@sirpurpaper.com
spmregdoff@gmail.com

Company under Corporate Insolvency
 resolution Process by NCLT order, dated
 18th September 2017 "

Registered Office :
 9-22/1/1, 1st Floor,
 Ashoka Chambers,
 Adarsh Nagar,
 HYDERABAD-500 063
 Telanagana.

Ret no SPMLSH/ 801.

BY SPEED POST

20th July 2018

1. Department of Corporate Services/Listing BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Scrip Code No. 502455	2. National Stock Exchange of India Ltd. "Exchange Plaza" Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol: SIRPAPER : EQ
---	--

Dear Sir,

Re: Intimation and disclosure of delisting of the shares of The Sirpur Paper Mills Limited pursuant to approval of the resolution plan of JK Paper Limited by the National Company Law Tribunal, Hyderabad under Regulation 3(3) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

- As you are aware, on 31 May 2018, pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2018, sub-regulation (3) was introduced to Regulation 3 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("**Delisting Regulations**"), declaring that the Delisting Regulations shall not apply to delisting of equity shares of a listed entity made pursuant to a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 (as amended) and the regulations issued thereunder ("**Code**").
- The Sirpur Paper Mills Limited ("**SPML**") is a company which was incorporated with CIN L21010TG1938PLC000591. It is submitted that insolvency proceedings were initiated against SPML under the Code on 18 September 2017. A resolution plan ("**Resolution Plan**") as proposed by JK Paper Limited ("**JKPL**") (Resolution Applicant) was filed by the resolution professional of SPML with the National Company Law Tribunal, Hyderabad ("**NCLT**") on 29 May 2018 in the matter of SPML.
- Delisting of shares of SPML
 - The Resolution Plan, *inter alia*, provides in Clause 3 of Part A as follows:

"3. In the estimate of the Resolution Applicant, the verified claims of Secured Financial Creditors are more than the aggregate Liquidation Value and consequently, the proportionate liquidation value for the operational creditors

(other than workmen's dues for the period of 24 months preceding the IC Date) including claims from the government, government agencies, and all other claims, debts and dues, and the shareholders is 'nil'."

- (b) Since the liquidation value payable to equity shareholders of SPML in the event of liquidation of SPML is 'nil', the Resolution Plan further provided in Clause 7.7 of the Resolution Plan as follows:

"7.7 If the Corporate Debtor were to be liquidated, the amount that would be payable to equity shareholders would be nil, as Section 53 of the Code, lists amounts due to equity shareholders at eighth position in the order of priority. In the estimate of the Resolution Applicant, the Liquidation Value that is payable to the shareholders, is also nil. The existing shareholders, whether equity or preference, shall not be paid any amount for the cancellation and reduction of their share capital and any claims in relation thereto shall stand extinguished without any payment or recourse."

- (c) The Resolution Plan also, *inter alia*, provides in Clause 22.2 thereof as follows:

"22.2

(ii) On the Completion Date, the Corporate Debtor shall undertake a capital reduction and cancellation of its entire existing equity shareholding whereby the entire equity share capital of the Corporate Debtor shall stand cancelled without the requirement of writing the words "and reduced" in the corporate name and style of the Corporate Debtor. A simultaneous reissue of equity shares and preference shares shall occur simultaneously in accordance with sub-clause (d).

(iii) For the purpose hereof, in addition to the procedure set out in Clause 22.2(d)(iv), the following shall also apply to cancellation of shares and capital reduction,:

- (A) the cancellation shall be applicable to all shareholders of the Corporate Debtor;*
- (B) the cancellation shall not require any payment by the Corporate Debtor to any of the shareholders;*
- (C) the cancellation shall be pursuant to the order of the NCLT and shall not require any other procedure as required under the Companies Act, including that under Section 66 of the Companies Act or regulations of the SEBI;*
- (D) shall not require the consent of any of the creditors of the Corporate Debtor or approval of the shareholders of the Corporate Debtor, as the Resolution Plan, upon being*



approved by the NCLT shall be binding on the Corporate Debtor and its stakeholders (including its creditors and shareholders), and in addition in accordance with the October 25 Circular, approval of the shareholders/members of the corporate debtor/company, which would have been required under Companies Act, 2013 or any other law if the resolution plan was being considered outside the scope of the Code, shall not be required for cancellation and issuance of shares and any other action under the Resolution Plan for its implementation."

- (d) The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 provides that if the approval of shareholders is required under the Companies Act, 2013 or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given and it shall not be a contravention of that Act or law.
4. The Resolution Plan, therefore, contemplates a specific procedure whereby the entire share capital (whether equity or preference) of SPML shall be cancelled and no amount be paid for the cancellation and reduction of the share capital and any claims in connection thereto shall extinguish without any payment or recourse. The exit of all existing shareholders of SPML is planned pursuant to the fact that the shareholders' share price is nil or negative, after paying off dues in accordance with Section 53 of the Code. It is hereby pointed out that if SPML were to be liquidated, all shareholders, whether equity or preference, would get nil value and consequently, the question of providing an exit option at nil value or the price specified does not arise.
5. The Resolution Plan, as approved, contemplates a limit on liability in Clause 11 thereof as follows:
- "Notwithstanding anything contained in this Resolution Plan, in no event the total payments by the Resolution Applicant or the Corporate Debtor to its stakeholders, for claims relating to a period prior to the Completion Date (including claims recognised in this Resolution Plan and claims that may arise in future), shall exceed ₹166,04,00,000 (Rupees One Hundred and Sixty Six Crores Four Lakhs) and other than pursuant to Clause 22.2 of this Resolution Plan, the Corporate Debtor shall not issue any further securities to the Secured Financial Creditors."*
6. In the circumstances that the Resolution Plan provides for cancellation and reduction under the Resolution Plan and delisting of the shares at "nil" value is occasioned consequential to the approved Resolution Plan, SMPL is hereby disclosing to both the stock exchanges above within a period of 1 day of the approval of the Resolution Plan under Section 31 of the Code, as contemplated under regulation 3 (3) of the Delisting Regulations.
7. The Hon'ble stock exchanges may take on record this disclosure and intimation and treat SPML as delisted with effect from the date of order of the NCLT approving the Resolution Plan in accordance with the amended Delisting Regulations and pursuant



to cancellation of the entire share capital of SPML as per the Resolution Plan and Clause 7.7 thereof. SPML does not intend to list its securities to be issued after cancellation of shareholding and consequential delisting.

8. Accordingly, as intimated earlier on the basis of the exemption, provided under Exemption Notification, JKPL as Resolution Applicant will not require any approval from SEBI and SPML will be delisted upon approval of Resolution Plan by NCLT in accordance with the terms of the Resolution Plan.

A Notice is also being issued by SPML in connection with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This intimation is being submitted for your kind information and necessary records.

Thanking you,

Yours faithfully

For The Sirpur Paper Mills Limited

T. Shyam Sunder

(T. Shyam Sunder)



Compliance Officer

Phone: (040) 23298705

Mobile: + 91 9849349744

CC:

Executive Director

Division of Corporate Restructuring

Securities and Exchange Board of India

Plot No. C4-A, 'G' Block

Bandra Kurla Complex

Bandra (East)

Mumbai 400 051