

SAI BHASKAR IRON LIMITED

INFORMATION MEMORANDUM

August 02, 2023

—

Section 29 read with regulation 36(2)

—

Preface

The Corporate Insolvency Resolution Process (“CIRP”) of SAI BHASKAR IRONS LIMITED (“Company/Corporate Debtor”) was initiated by M/s Steel Exchange India Limited by filing an application under Section 9 of the Insolvency & Bankruptcy Code, 2016 (“Code”) before the Hon’ble National Company Law Tribunal, Hyderabad Bench (“NCLT”). The application was admitted by the NCLT vide its Order dated 24th April 2023 (“CIRP Order”). Pursuant to the CIRP Order K.V Srinivas, Registration No. IBBI/IPA-001/IP P00070/2017-18/10156, was appointed as Interim Resolution Professional (“IRP”). The Board of Directors of the Company has been suspended w.e.f. 24th April, 2023 and functions of the Board of Directors have been vested with the IRP as per Section 17(1) (b) of the Code.

After receipt of the CIRP Order on 3rd May 2023, IRP made public announcements in leading newspapers regarding initiation of CIRP and called for proofs of claim from the financial creditors, operational creditors, workers & employees of the Corporate Debtor in the specified forms till 17th May, 2023 (the “Cut-off Date”). IRP has received claims from financial creditors, operational creditors and workers & employees. IRP has also received claims from preferential shareholders.

Further, pursuant to the provisions of Regulations 13(2)(d) and 17(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“CIRP Regulations”), the IRP filed a report in the Hon’ble NCLT, Hyderabad Bench, certifying the constitution of Committee of Creditors (“CoC”) of the Company on May 25, 2023

Thereafter, in compliance with the provisions of Regulations 17 to 20 of the CIRP Regulations, the IRP conducted 1st CoC meeting on 2nd June, 2023.

The CoC Members, after the 1st CoC Meeting held on 2nd June 2023, appointed the IRP as the Resolution Professional (“RP”) as per Section 22(2) of the Code. The same was intimated to the Hon’ble NCLT, Hyderabad Bench.

Disclaimer

This information memorandum is formulated by Dr. K V Srinivas (Resolution Professional) in consultation with Sai Bhaskar Irons Limited. The purpose of this document is to assist the recipient in deciding whether they wish to proceed with a further investigation of the Company, and in putting forward resolution plan for the Company in accordance with the Insolvency and Bankruptcy Code, 2016 (hereinafter as “IBC” or “Code”) and the Regulations made thereunder, as amended from time to time. This Information memorandum has been prepared in furtherance of Section 29 of the Code. The information memorandum contains specific information of the corporate debtor including but not limited to the details as prescribed under sub-regulation 2 of Regulation 36 of the Insolvency and Bankruptcy Board of India (Resolution process for Corporate Persons) Regulations, 2016 (hereinafter as “CIRP Regulations”).

This information memorandum and the information contained herein is not intended to form the basis of any investment decision by a prospective resolution applicant. Interested parties should carry out their own investigations and analysis of the Corporate Debtor and of the data referred to in this Information Memorandum and should consult their own advisers before submitting a resolution plan. Neither this document, nor anything contained herein, should form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment or investment decision whatsoever.

The information contained/disclosed in this information memorandum is as provided by the Corporate Debtor and the creditors of the Corporate Debtor. No representation or warranty, express or implied, is given by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or Sai Bhaskar Iron Limited as to the accuracy, authenticity or completeness of the contents of this Memorandum or any other document or information supplied, or which may be supplied at any time or any opinions or therein, nor is any such party under any obligation to update the Memorandum or correct any inaccuracies or omissions in it which may exist or become apparent. This Memorandum should not be considered as a recommendation by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or Sai Bhaskar Iron limited in the Corporate Debtor and each prospective applicant must make its own independent assessment of the merits or otherwise of investing in the corporate debtor.

Memorandum and the information contained therein is confidential and subject to the undertaking executed between the corporate debtor and the recipient in pursuance of Section 29 (2) of the Code. The recipient by way of the undertaking, unconditionally acknowledges to undertake to (a) comply with the provisions of the law for the time being in force relating to confidentiality and insider trading (b) protect the intellectual property of the corporate debtor it may have access to and (c) is statutorily obligated not to share the information memorandum or its contents with third parties unless (a) and (b) above have been complied with. The recipient further also acknowledges that the information contained in the information memorandum shall not be used to cause undue gain or undue loss to itself or to any other persons and that the recipient shall comply with the requirements under Section 29(2) of the Code.

No responsibility or liability is accepted for any loss or damage arising whatsoever that you may suffer as a result of this Information memorandum or the information contained herein and any and all responsibility and liability is expressly disclaimed by the Resolution Professional and Sai Bhaskar Iron Limited and its respective partners, directors, officers, affiliates, employees, advisors or agents

Should this Information memorandum (through the act or default of the recipient) reach other persons without the resolution professional’s written consent, the recipient shall indemnify the resolution professional including its respective partners, directors, officers, affiliates, employees, advisors or agents against any loss or damage or other liabilities (including all costs), which they may suffer as a result.

By accepting a copy of this information memorandum, the recipient is deemed to have acknowledged and accepted that the terms and conditions of the disclaimer notice and that it formed an integral/material part of this information memorandum. The recipient further is deemed to have unconditionally acknowledged that the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or Sai Bhaskar Iron Limited do not accept any liability for any and all information contained in this information memorandum. The recipient is deemed to have acknowledged that the information contained in the information memorandum shall not be utilized/used for any other purpose other than for the preparation of the Resolution Plan as defined in the Code.

The information memorandum and the information contained herein may not be inclusive or contain all information which the recipient considers material. While the Resolution Professional shall endeavor to furnish further relevant information/details/ clarifications, the resolution professional is under no obligation to provide the recipient with any further relevant information/details/clarifications. In the event any additional information/clarifications are so provided they shall be unconditionally subject to this disclaimer notice irrespective of whether it has been specifically provided for or not.

This information memorandum and the information contained herein should not be printed, reproduced, transmitted, sold, distributed, or published by the recipient without prior written approval of the Resolution Professional. The recipient further acknowledges to return and /or destroy this information memorandum at the written request of the resolution professional. The resolution professional shall act as the primary point of contact for the recipients and any and all correspondences/clarifications should only be addressed to the resolution professional. This Information memorandum is issued by the resolution professional of the corporate debtor without incurring any liability/commitment on the part of itself or the professional advisor (including but not limited to the professional advisors respective partners, directors, officers, affiliates, employees, advisors or agents) or the corporate debtor or any of its officers, employees or its agents.

RESOLUTION PROFESSIONAL DETAILS

<p>Dr. K.V. Srinivas B.Com., LL.B., M.B.A., Ph.D. A d v o c a t e & Insolvency Professional Reg. No. IBBI/IPA-001/IP-P00520/2017-18/10945 AFA VALID TILL 19.12.2023</p>	<p># 6-3-249/6, "Alcazar Plaza & Towers", Road No. 1, Banjara Hills, Hyderabad – 500 034 Phone: +91 8309310156, 9959223615 email – ip_kvs@assetsadvisory.com cirp.sbil@gmail.com</p>
--	--



Table of Contents

- 1.** Related Sections and Regulations
- 2.** Contents as given in Regulation 36
- 3.** Description of Assets & Liabilities and Financial Statements (Regulation 36(2)(a),(b) &(c))
- 4.** List of Creditors (Financial, Operational, Employees & Others) (Regulation 36(2)(d))
- 5.** Dues to/from Related parties (Regulation 36(2)(e))
- 6.** Guarantor Details (Regulation 36(2)(f))
- 7.** Members or partners having- 1% or more stake (Regulation 36(2)(g))
- 8.** Details of all material litigation and an ongoing investigation (Regulation 36(2)(h))
- 9.** No of Workers & Employees and their dues (Regulation 36(2)(i))
- 10.** Company overview (Regulation 36(2)(j))
- 11.** Details of business evolution, industry overview and key growth drivers in case of a corporate debtor having book value of total assets exceeding one hundred crores rupees as per the last available financial statements (Regulation 36(2)(k))
- 12.** Other information, which the resolution professional deems relevant to the committee (Reg 36(2)(l))

1. Relevant Sections and Details

S.NO	PARTICULARS
Section 5(10)	“Information memorandum” (IM) means a memorandum prepared by resolution professional under sub-section (1) of section 29
Section 29(1)	Provides that the resolution professional shall prepare an information memorandum in such form and manner containing such relevant information as may be specified by the Board for formulating a resolution plan.
Section 29(2)	<p>The resolution professional shall provide to the resolution applicant access to all relevant information in physical and electronic form, provided such resolution applicant undertakes—</p> <p>(a) to comply with provisions of law for the time being in force relating to confidentiality and insider trading;</p> <p>(b) to protect any intellectual property of the corporate debtor it may have access to; and</p> <p>(c) Not to share relevant information with third parties unless clauses (a) and (b) of this sub-section are complied with.</p> <p>Explanation.—For the purposes of this section, “relevant information” means the information required by the resolution applicant to make the resolution plan for the corporate debtor, which shall include the financial position of the corporate debtor, all information related to disputes by or against the corporate debtor and any other matter pertaining to the corporate debtor as may be specified.</p>
Regulation 36 of IBBI (IRP for Corporate Persons) Regulations, 2016	Provides for the contents of the Statutory IM and the manner in which it will be submitted to each member of the CoC and any potential resolution applicant

2. Contents as Given in Regulation 36

S. No.	Regulation	Particulars
1	36(2)(a)	Assets and Liabilities including contingent liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values.
2	36(2)(b) & 36(2)(c)	The latest annual financial statements and audited financial statements of the corporate debtor for the last two financial years and provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application
3	36(2)(d)	A list of Creditors containing the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims
4	36(2)(e)	Particulars of a debt due from or to the corporate debtor with respect to related parties
5	36(2)(f)	Details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party
6	36(2)(g)	The names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake.
7	36(2)(h)	Details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities.
8	36(2)(i)	The number of workers and employees and liabilities of the corporate debtor towards them.
9	36(2)(j)	company overview including snapshot of business performance, key contracts, key investment highlights and other factors which bring out the value as a going concern over and above the assets of the corporate debtor such as brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other pre-existing facilities
10	36(2)(k)	Details of business evolution, industry overview and key growth drivers in case of a corporate debtor having book value of total assets exceeding one hundred crores rupees as per the last available financial statements

11	36(2)(l)	other information, which the resolution professional deems relevant to the committee
12	36(3)	A member of the committee may request the resolution professional for further information of the nature described in this Regulation and the resolution professional shall provide such information to all members within reasonable time if such information has a bearing on the resolution plan.
13	36(3)(a)	The creditors shall provide to the resolution professional the latest financial statements and other relevant financial information of the corporate debtor available with them.
14	36(4)	The interim resolution professional or the resolution professional, as the case may be, shall share the information memorandum after receiving an undertaking from a member of the committee or a potential resolution applicant to the effect that such member or resolution applicant shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under section 29(2)

3. Description of Assets & Liabilities and Financial Statements (Regulation 36(2)(a), (b)&(c))

1. Assets and Liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values – Regulation 36(2)(a)
2. ‘Description’ includes the details such as date of acquisition, cost of acquisition, remaining useful life, identification number, depreciation charged, book value, and any other relevant details –Explanation to Regulation 36(2)(a)
3. The latest annual financial statements - Regulation 36(2)(b)
4. Audited financial statements of the corporate debtor for the last two financial years and Provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application. Generally, provisional financials are made on the date of commencement of the Corporate Insolvency Resolution Process(CIRP) - Regulation 36(2)(c)

✚ **Refer - Annexure 1** for Breakup of Assets & Liabilities along with title deeds of Land as on Insolvency Commencement Date (Note – The RP has not made available the complete Fixed Assets register as per the Description mention in Regulation)

✚ **Refer - Annexure 2** for Provisional Financials of the Company for the period ended 24th April 2023.

✚ **Refer – Annexure 3** for Audited Financials of the Company for F Y 2020-21 and F Y 2021-22

4. List of Creditors (Financial, Operational, Employees & Others) (Regulation 36(2)(d))

List of Creditors (Financial, Operational, Employees & Others)

 **Refer Annexure – 4** for List of all the Creditors containing the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims.

5. Dues to/from Related parties (Regulation 36(2)(e))

Definition of related party in relation to a Corporate Debtor is much wider in scope as compared to the Companies Act, 2013. It has been defined in section 5(24) of IBC, 2016.

As per Regulation 36(2)(e), particulars of a debt due from or to the corporate debtor with respect to related parties are to be stated in the Statutory IM.

 **Refer – Annexure 3** for Notes to Audited Financials of the Company

6. Guarantor Details(Regulation36(2)(f))

As per Regulation 36(2)(f), details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party.

 *As per the information available with the RP “NO” guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party.*

7. Members or partners having- 1% or more stake(Regulation36(2)(g))

As per Regulation 36(2)(g), the names and addresses of the members or partners holding ,at least one per cent stake in the corporate debtor along with the size of stake have to be provided in the Statutory IM

 **Refer – Annexure 3** for Notes to Audited Financials of the Company

8. Details of all material litigation and an ongoing investigation (Regulation 36(2)(h))

As per Regulation 36(2)(h), Details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities have to be provided.

 **Refer Annexure - 5** for all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities.

9. No of Workers & Employees and their dues(Regulation36(2)(i))

As per Regulation 36(2)(i), the number of workers and employees and liabilities of the corporate debtor towards them have to be provided.

- ✚ *As per the information available to the RP the CD does not have any workers and employees as on the commencement date of CIRP and also have not received any claims towards such dues.*

10. Company overview (Regulation 36(2)(j))

 **Refer Annexure - 6** for all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities.

11. Details of business evolution, industry overview and key growth drivers in case of a corporate debtor having book value of total assets exceeding one hundred crores rupees as per the last available financial statements (Regulation 36(2)(k))

✚ *Not Applicable since the Corporate Debtor's Book value of the total asset is not exceeding one hundred crores.*

12. Other information, which the resolution professional deems relevant to the committee (Reg36(2)(1))

✚ NA


