

**# Voting Resolution 1: To approve revisions to the distribution mechanism of the value receivable by certain creditors of Dewan Housing Finance Corporation Limited (“DHFL”) under the resolution plan submitted by Piramal Capital & Housing Finance Company Limited (as discussed in the Twentieth Meeting of the Committee of Creditors of DHFL)<sup>1</sup>**

**“RESOLVED THAT**

- (a) the Hon'ble National Company Law Tribunal, (**NCLT**) Mumbai Bench vide order dated 7 June 2021 and made available on 13 June 2021 (in *Mr. R. Subramaniakumar, Administrator of Dewan Housing Finance Corporation Limited v. Committee of Creditors & Ors.*, IA.NO.449/MB/C-II/2021 in CP(IB)No. 4258/MB/C-II/2019) (the **Plan Approval Order**) approved the resolution plan submitted by the successful resolution applicant (i.e. Piramal Capital & Housing Finance Company Limited) dated 22 December 2020 (along with an undertaking dated 21 January 2021 which forms an integral part of the resolution plan) (the **Successful Resolution Applicant** and such plan, the **Resolution Plan**). A copy of the Plan Approval Order is attached as **Annexure 1**;
- (b) the NCLT by its Plan Approval Order, inter alia, issued the following orders:
  - “(i)The Application IA No. 449 of 2021 in CP 4258 of 2019 be and the same is allowed. The Resolution Plan annexed to the Application is hereby approved. It shall become effective from this date and shall form part of this order.*
  - (j)It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.”*
- (c) in light of the observations of the NCLT contained in paragraphs V-VII of the Plan Approval Order, wherein the NCLT had made certain suggestions/requests to the Committee of Creditors in relation to enhanced distribution of proceeds under the Resolution Plan to certain creditors as set out in the aforementioned paragraphs and directed the Committee of Creditors of DHFL to reconsider the distribution of proceeds in light of such suggestions;
- (d) in light of the detailed deliberations by the members of the Committee of Creditors of DHFL in their meeting convened on 17 June 2021 after considering, *inter alia*, the views espoused by representatives of Air Force Group Insurance Society, UP Power Corporation Contributory Provident Fund Trust and Uttar Pradesh State Power Sector Employees Trust, the authorised representative of the fixed deposit holders and debenture trustee representing the holders of non-convertible debentures (**NCDs**) issued by DHFL and other financial creditors, which also noted the earlier consideration given to small investor in the resolution dated 17 January 2021;
- (e) without prejudice to Resolution Plan, as approved by the Hon'ble NCLT;
- (f) the approval of the Committee of Creditors of DHFL be and is hereby accorded a limited and partial modification of the earlier resolution dated 15 January 2021 approved by the Committee of Creditors of DHFL relating to the distribution mechanism of the value receivable by the creditors of DHFL under the Resolution Plan (**Distribution Mechanism**) in the manner as contemplated below:
  - (i) the following paragraphs be included immediately after paragraph III of the Distribution Mechanism:
    - “IIIA. the entire admitted claim of (a) Army Group Insurance Fund aggregating to INR 39 Crores; (b) Air Force Group Insurance Society aggregating to INR*

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<sup>1</sup> The Explanatory note and Schedule I thereto to this Voting item is on Page 4 to 10.

72.93 Crores; and Navy Children School aggregating to INR 2.54 Crores (collectively, the **Defence Forces Investors**) be paid in full in cash;

IIIB. all fixed deposit holder, following Cash payments in III above, shall be paid such additional amounts in cash such that the entire amount payable to such fixed deposit holders is equal to approximately 40% of their respective admitted claims, similar to the recovery of the Secured Financial Creditors (who have voted in favour of the Resolution Plan);

IIIC. all unsecured NCD holders shall be categorised series wise as below basis principal as per BENPOS and their outstanding debt shall be provided by the Dewan Housing Finance Corporation (Issuer) or / its registrar and transfer agent (RTA) with inputs as may be required from the debenture trustee based on which the distribution will be carried out:

	From INR	Up to INR
Category 1	0	2,00,000
Category 2	2,00,001	5,00,000
Category 3	5,00,001	10,00,000
Category 4	10,00,001 and above	

All unsecured NCD holders in Category 1, Category 2 and Category 3 and unsecured NCD holders which are Retirement Funds (i.e. Pension Funds, Provident Funds, Gratuity Fund, Superannuation Funds etc.) be paid in an amount in cash which is equal to approximately 40% of their respective admitted claims, similar to the recovery of the Secured Financial Creditors (who have voted in favour of the Resolution Plan). The Remaining Unsecured FCs shall be treated as defined in paragraph VI(A)

- (ii) the following line shall be added in paragraph V of the Distribution Resolution before sub-paragraph (a) of paragraph V (inclusion appearing in **bold italicized and underlined**):

“V. **FIFTH; Pay out to the FD holders and the secured NCD holders**

**The distribution mechanism contemplated in this paragraph V relating to Secured NCD holders shall apply to those FD Holders and Secured NCD holders which are not Defence Forces Investors. Further, for the avoidance of all doubt, it is clarified that to the extent that any FD holders have been paid in II or IIIB above, no further amounts shall be payable to such investors in (a) hereafter**

(a) .....

- (g) except and to the extent as contemplated above, the Distribution Mechanism as approved by the Committee of Creditor of DHFL pursuant to the resolution passed on 15 January 2021 and approved by the Hon'ble NCLT, Mumbai Bench pursuant to the Plan Approval Order, shall remain unchanged in any manner and be binding on all stakeholders of DHFL.”

**EXPLANATORY NOTE AND SCHEDULE I THERETO ON Voting Resolution #1****A. DISTRIBUTION AS PER MECHANISM APPROVED IN 18<sup>TH</sup> COC MEETING.***All figures in Rs Crore unless stated otherwise***(i) INTERIM DISTRIBUTION**

<b>Outlay to Creditors</b>	<b>Cash</b>	<b>Instruments</b>	<b>Total</b>
Plan Outlay	18,100.00	19,550.00	37,650.00
(-) Workmen dues	2.30	-	2.30
OC (excluding statutory dues)	3.73	-	3.73
Corpus Created	83.00	-	83.00
Pay-out to Dissenting FC	1,250.65	-	1,250.65
Sub-Judiced Monies - NHB Appeal	1,045.81	1,390.86	2,436.67
<b>Interim Amount to be distributed to Assenting FCs</b>	<b>15,714.50</b>	<b>18,159.14</b>	<b>33,873.64</b>

<b>Interim Distribution (excluding sub-judice monies)</b>	<b>Admitted Claim</b>	<b>Cash</b>	<b>Instruments</b>	<b>Total</b>	<b>Recovery (%)</b>
<b>Dissenting FC</b>					
Fixed Deposit	5,374.65	1,240.69	-	1,240.69	23.08%
Secured FCs (WL & ECB)	25.62	8.40	-	8.40	32.80%
Unsecured FCs	124.89	1.56	-	1.56	1.25%
<b>Total Dissenting FCs</b>	<b>5,525.16</b>	<b>1,250.65</b>	<b>-</b>	<b>1,250.65</b>	
<b>Assenting FC</b>					
Banks	28,845.86	5,566.92	6,811.68	12,378.59	42.91%
ECB	2,994.49	577.90	707.12	1,285.02	42.91%
NHB	2,436.67	470.25	575.40	1,045.65	42.91%
Masala Bond	902.53	174.18	213.12	387.30	42.91%
Secured NCDs	42,724.86	8,843.10	9,751.30	18,594.40	43.52%
Unsecured FCs (NCDs, CPs & Others)	3,653.41	82.15	100.52	182.67	5.00%
<b>Total Assenting Financial Creditors</b>	<b>81,557.83</b>	<b>15,714.50</b>	<b>18,159.14</b>	<b>33,873.64</b>	
<b>Total Financial Creditors</b>	<b>87,082.99</b>	<b>16,965.15</b>	<b>18,159.14</b>	<b>35,124.29</b>	

- Including estimated FC entitlement amount of ~Rs 3,400 crore as on April 30, 2021, and is subject to updation
- NCD categorisation is as per BENPOS dated October 23, 2020 and will be updated basis selected BENPOS date.
- The final distribution shall be subject to outcome of NHB case if appealed in NCLAT / Supreme Court presented in (ii) and (iii) below:

**(ii) FINAL DISTRIBUTION – NHB Case pronounced in favor of NHB**

	<b>Admitted Claim</b>	<b>Cash</b>	<b>Instruments</b>	<b>Total</b>	<b>Recovery (%)</b>
<b>Dissenting FC</b>					
Fixed Deposit	5,374.65	1,240.69	-	1,240.69	23.08%
Secured FCs (WL & ECB)	25.62	8.40	-	8.40	32.80%
Unsecured FCs	124.89	1.56	-	1.56	1.25%
<b>Total Dissenting FCs</b>	<b>5,525.16</b>	<b>1,250.65</b>	<b>-</b>	<b>1,250.65</b>	
<b>Assenting FC</b>					
Banks	28,845.86	5,741.77	7,044.22	12,785.99	44.33%
ECB	2,994.49	596.05	731.26	1,327.31	44.33%
NHB	2,436.67	1,067.27	1,369.40	2,436.67	100.00%
Masala Bond	902.53	179.65	220.40	400.05	44.33%
Secured NCDs	42,724.86	9,093.41	10,084.20	19,177.62	44.89%
Unsecured FCs (NCDs, CPs & Others)	3,653.41	82.15	100.52	182.67	5.00%
<b>Total Assenting Financial Creditors</b>	<b>81,557.83</b>	<b>16,760.31</b>	<b>19,550.00</b>	<b>36,310.31</b>	
<b>Total Financial Creditors</b>	<b>87,082.99</b>	<b>18,010.96</b>	<b>19,550.00</b>	<b>37,560.96</b>	

**(iii) FINAL DISTRIBUTION – NHB Case pronounced in favor of CoC**

	<b>Admitted Claim</b>	<b>Cash</b>	<b>Instruments</b>	<b>Total</b>	<b>Recovery (%)</b>
<b>Dissenting FC</b>					
Fixed Deposit	5,374.65	1,240.69	-	1,240.69	23.08%
Secured FCs (WL & ECB)	25.62	8.40	-	8.40	32.80%
Unsecured FCs	124.89	1.56	-	1.56	1.25%
<b>Total Dissenting FCs</b>	<b>5,525.16</b>	<b>1,250.65</b>	<b>-</b>	<b>1,250.65</b>	
<b>Assenting FC</b>					
Banks	28,845.86	5,961.40	7,336.31	13,297.70	46.10%
ECB	2,994.49	618.85	761.58	1,380.43	46.10%
NHB	2,436.67	503.57	619.71	1,123.29	46.10%
Masala Bond	902.53	186.52	229.54	416.06	46.10%
Secured NCDs	42,724.86	9,407.82	10,502.34	19,910.16	46.60%
Unsecured FCs (NCDs, CPs & Others)	3,653.41	82.15	100.52	182.67	5.00%
<b>Total Assenting Financial Creditors</b>	<b>81,557.83</b>	<b>16,760.31</b>	<b>19,550.00</b>	<b>36,310.31</b>	
<b>Total Financial Creditors</b>	<b>87,082.99</b>	<b>18,010.96</b>	<b>19,550.00</b>	<b>37,560.96</b>	

**B. DISTRIBUTION AS PER MECHANISM BASIS ABOVE PROPOSED RESOLUTION AS PROVIDED BY THE PROCESS ADVISORS TO THE CoC**

*All figures in Rs Crore unless stated otherwise.*

**(i) INTERIM DISTRIBUTION**

<b>Outlay to Creditors</b>	<b>Cash</b>	<b>Instruments</b>	<b>Total</b>
Plan Outlay	18,100.00	19,550.00	37,650.00
(-) Workmen dues	2.30	-	2.30
OC (excluding statutory dues)	3.73	-	3.73
Corpus Created	83.00	-	83.00
Pay-out to Dissenting FC	2,198.97	-	2,198.97
Defence Group^	114.70	-	114.70
Unsecured NCD - Trust	600.43	-	600.43
Unsecured NCD - Other than Trust (Category 1-3)	18.45	-	18.45
Sub-Judiced Monies - NHB Appeal	1,045.81	1,390.86	2,436.67
<b>Interim Amount to be distributed to AFCs</b>	<b>14,032.60</b>	<b>18,159.14</b>	<b>32,191.74</b>

**^Defence Force Group include following:**

<b>Particulars</b>	<b>Nature</b>	<b>Admitted Claim (Rs Crore)</b>
Army Group Insurance Fund (estimated)	NCD	39.24
Navy Children School	FD	2.54
Air Force Group Insurance Society	FD	72.93
<b>Total</b>		<b>114.70</b>

<b>Interim Distribution</b>	<b>Admitted Claim</b>	<b>Cash</b>	<b>Instruments</b>	<b>Total</b>	<b>Recovery (%)</b>
<b>Dissenting FC</b>					
Fixed Deposit	5,299.19	2,189.01	-	2,189.01	41.31%
Secured FCs (WL & ECB)	25.62	8.40	-	8.40	32.80%
Unsecured FCs	124.89	1.56	-	1.56	1.25%
<b>Total Dissenting FCs</b>	<b>5,449.70</b>	<b>2,198.97</b>	<b>-</b>	<b>2,198.97</b>	
<b>Defence Group</b>	<b>114.70</b>	<b>114.70</b>	<b>-</b>	<b>114.70</b>	<b>100.00%</b>
<b>Unsecured NCD - Trust</b>	<b>1,453.52</b>	<b>600.43</b>	<b>-</b>	<b>600.43</b>	<b>41.31%</b>
<b>Unsecured NCD - Other than Trust (Category 1-3)</b>	<b>44.68</b>	<b>18.45</b>	<b>-</b>	<b>18.45</b>	<b>41.31%</b>
<b>Assenting FC</b>					
Banks	28,845.86	4,956.21	6,829.54	11,785.76	40.86%
ECB	2,994.49	514.50	708.98	1,223.48	40.86%
NHB	2,436.67	418.66	576.91	995.57	40.86%
Masala Bond	902.53	155.07	213.68	368.75	40.86%
Secured NCDs	42,685.62	7,942.83	9,767.59	17,710.42	41.49%
Unsecured FCs (NCDs, CPs & Others)	2,155.22	45.32	62.44	107.76	5.00%
<b>Total Assenting Financial Creditors</b>	<b>80,020.39</b>	<b>14,032.60</b>	<b>18,159.14</b>	<b>32,191.74</b>	
<b>Total Financial Creditors</b>	<b>87,082.99</b>	<b>16,965.15</b>	<b>18,159.14</b>	<b>35,124.29</b>	

- Including estimated FC entitlement amount of ~Rs 3,400 crore as on April 30, 2021, and is subject to updation.
- NCD categorisation is as per BENPOS dated October 23, 2020 and will be updated basis selected BENPOS date.

- The final distribution shall be subject to outcome of NHB case if appealed in NCLAT / Supreme Court presented in (ii) and (iii) below:

**(ii) FINAL DISTRIBUTION – NHB CASE PRONOUNCED IN FAVOUR OF NHB**

<b>Final Distribution</b>	<b>Admitted Claim</b>	<b>Cash</b>	<b>Instruments</b>	<b>Total</b>	<b>Recovery (%)</b>
<b>Dissenting FC</b>					
Fixed Deposit	5,299.19	2,189.01	-	2,189.01	41.31%
Secured FCs (WL & ECB)	25.62	8.40	-	8.40	32.80%
Unsecured FCs	124.89	1.56	-	1.56	1.25%
<b>Total Dissenting FCs</b>	<b>5,449.70</b>	<b>2,198.97</b>	<b>-</b>	<b>2,198.97</b>	
<b>Defence Group</b>	<b>114.70</b>	<b>114.70</b>	<b>-</b>	<b>114.70</b>	<b>100.00%</b>
Unsecured NCD - Trust	<b>1,453.52</b>	<b>600.43</b>	<b>-</b>	<b>600.43</b>	<b>41.31%</b>
Unsecured NCD - Other than Trust (Category 1-3)	<b>44.68</b>	<b>18.45</b>	<b>-</b>	<b>18.45</b>	<b>41.31%</b>
<b>Assenting FC</b>					
Banks	28,845.86	5,122.78	7,051.07	12,173.85	42.20%
ECB	2,994.49	531.80	731.97	1,263.77	42.20%
NHB	2,436.67	1,037.18	1,399.49	2,436.67	100.00%
Masala Bond	902.53	160.28	220.61	380.89	42.20%
Secured NCDs	42,685.62	8,181.06	10,084.41	18,265.47	42.79%
Unsecured FCs (NCDs, CPs & Others)	2,155.22	45.32	62.44	107.76	5.00%
<b>Total Assenting Financial Creditors</b>	<b>80,020.39</b>	<b>15,078.41</b>	<b>19,550.00</b>	<b>34,628.41</b>	
<b>Total Financial Creditors</b>	<b>87,082.99</b>	<b>18,010.96</b>	<b>19,550.00</b>	<b>37,560.96</b>	

**(iii) FINAL DISTRIBUTION – NHB CASE PRONOUNCED IN FAVOUR OF COC**

<b>Final Distribution</b>	<b>Admitted Claim</b>	<b>Cash</b>	<b>Instruments</b>	<b>Total</b>	<b>Recovery (%)</b>
<b>Dissenting FC</b>					
Fixed Deposit	5,299.19	2,189.01	-	2,189.01	41.31%
Secured FCs (WL & ECB)	25.62	8.40	-	8.40	32.80%
Unsecured FCs	124.89	1.56	-	1.56	1.25%
<b>Total Dissenting FCs</b>	<b>5,449.70</b>	<b>2,198.97</b>	<b>-</b>	<b>2,198.97</b>	
<b>Defence Group</b>	<b>114.70</b>	<b>114.70</b>	<b>-</b>	<b>114.70</b>	<b>100.00%</b>
Unsecured NCD - Trust	<b>1,453.52</b>	<b>600.43</b>	<b>-</b>	<b>600.43</b>	<b>41.31%</b>
Unsecured NCD - Other than Trust (Category 1-3)	<b>44.68</b>	<b>18.45</b>	<b>-</b>	<b>18.45</b>	<b>41.31%</b>
<b>Assenting FC</b>					
Banks	28,845.86	5,350.89	7,354.44	12,705.34	44.05%
ECB	2,994.49	555.48	763.46	1,318.94	44.05%
NHB	2,436.67	452.00	621.25	1,073.25	44.05%
Masala Bond	902.53	167.42	230.11	397.52	44.05%
Secured NCDs	42,685.62	8,507.30	10,518.30	19,025.60	44.57%
Unsecured FCs (NCDs, CPs & Others)	2,155.22	45.32	62.44	107.76	5.00%
<b>Total Assenting Financial Creditors</b>	<b>80,020.39</b>	<b>15,078.41</b>	<b>19,550.00</b>	<b>34,628.41</b>	
<b>Total Financial Creditors</b>	<b>87,082.99</b>	<b>18,010.96</b>	<b>19,550.00</b>	<b>37,560.96</b>	



## Schedule I: Notes and Comments to Distribution

Notes to Workings: The above distribution summary is basis the following:

- Voting by Financial Creditors for Resolution Plan
- Supreme Court Judgement in Jaypee Kensington Boulevard Apartments Welfare Association & Ors. Vs. NBCC (India) Ltd. Ors. regarding payment to Dissenting Financial Creditors in Cash
- If the NHB case is appealed by the CoC in NCLAT / Supreme Court
- Additionally, the following adjustments are made to arrive at values in case the above resolution is passed by the COC
  - Defence Group are provided 100% recovery of their admitted claims **in Cash**, entailing an additional cash Outflow of ~ Rs 80 crore.
  - Fixed Deposit Holders are provided so as to enable their total recovery to ~40% of admitted claims (treated as Secured Creditors) in Cash, entailing an additional cash Outflow of ~ Rs 965 crore.
  - Secured NCD holders are already receiving ~40% recovery of admitted claims hence no further adjustments are being made.
  - All Unsecured FCs in Category 1, Category 2 and Category 3 and Unsecured FCs which are Retiral Funds (Pension Funds, Provident Funds, Gratuity Fund, Superannuation Funds etc.) are provided so as to enable their total recovery to ~40% of admitted claims (treated as Secured Creditors) in Cash, entailing an additional cash Outflow of ~ Rs 540 crore.
  - Details of additional outflow from secured FCs are as follows:

<b>Details of additional outflow</b>	<b>Amount</b>
Army Group Insurance Fund	21.85
Navy Children School	1.95
Air Force Group Insurance Society	56.09
FD Holders	965.74
Unsecured NCD – Trust	527.75
Unsecured NCD - Other than Trust (Category 1-3)	16.22
Small secured NCD	263.61
<b>Total</b>	<b>1,853.21</b>

- Between the approved distribution mechanism and the current proposed distribution mechanism, the incremental contribution by large Secured FCs will be ~Rs 1,853 crore which is ~5.4% of the Resolution Plan Value

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT II**

**IA.NO.449/MB/C-II/2021**

**In  
CP(IB)No. 4258/MB/C-II/2019**

**Application filed under section 30(6) and section 31 of the Insolvency and Bankruptcy Code, 2016 read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016**

Filed by

**Mr. R. Subramaniakumar,  
Administrator of**

**Dewan Housing Finance Corporation Limited  
O/at Warden House, 2<sup>nd</sup> Floor, Sir P.M. Road,  
Fort, Mumbai – 400001**

**...Applicant/Administrator**

Versus

**Committee of Creditors,**

Through Union Bank of India, Union Bank Bhawan, 239,Vidhan Bhawan Marg, Nariman Point Mumbai – 400 021.

**...Respondent No. 1**

**Piramal Capital & Housing Finance Limited**

4<sup>th</sup> Floor, Piramal Towers, Peninsula Corporate Park, Ganapatrao Kadam Marg, Lower Parel (West), Mumbai, Maharashtra 400013.

**... Respondent No. 2**

*In the matter of*

**Reserve Bank of India.**

Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai 400001

**...Financial Sector Regulator**

Versus

**Dewan Housing Finance Corporation Limited**

O/at Warden House, 2<sup>nd</sup> Floor, Sir P.M. Road,  
Fort, Mumbai – 400001

**...Corporate Debtor**

**Order Pronounced on :- 07.06.2021**

***Coram:***

**Hon'ble Member (Judicial) : Mr. H.P. Chaturvedi**

**Hon'ble Member (Technical) : Mr. Ravikumar Duraisamy**

***Appearances:***

**For the Applicant:** Ld. Senior Counsels Mr. Ravi Kadam, Mr. Gaurav Joshi a/w Mr. Rohan Rajadhyaksha.

**For Respondent No 1:** Ld. Senior Counsel Mr. Janak Dwarkadas, a/w Mr. Animesh Bisht, Mr. Ashish s Kamat.

**For Respondent No 2:** Ld. Senior Counsels Dr. Abhishek Manu Singhvi, Mr. Mustafa Doctor a/w Ms. Chitra Rentala.

### **ORDER**

***Per: Ravikumar Duraisamy, Member and Mr. H.P. Chaturvedi, Member (Judicial)***

1. The present Interlocutory application is filed by **Mr. R. Subramaniakumar** the Applicant, Administrator of **Dewan Housing Finance Corporation Limited**, for the Corporate Debtor by submitting a resolution plan under section 30(6) and section 31 of the Insolvency and Bankruptcy Code, 2016 (I&B Code) read with Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, read with Rule 11 of the National Company Law Tribunal Rules, 2016) which was duly approved by the requisite majority of the Committee of Creditors (CoC) seeking approval of this Adjudicating Authority under section 31 of the I&B Code. By this application the Administrator has sought for the following reliefs :-

*a) To consider and approve the Resolution Plan (including the Scheme of Arrangement specified in Schedule VIII of the*

*Resolution Plan) submitted by the Successful Resolution Applicant (i.e. Piramal Capital & Housing Finance Limited) which was placed before the CoC in its eighteenth meeting dated December 24, 2020 which was continued after recess December 25, 2020 and was approved by the requisite majority vote of the CoC during the voting window pursuant to the CoC which remained open from December 30, 2020 to January 15, 2021.*

*b) To declare that the Resolution Plan, upon its approval by this Hon'ble Tribunal, shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan;*

*c) Grant such reliefs as specifically sought by Respondent No. 2 (the Successful Resolution Applicant) under the Resolution Plan, including as set out in Part C of the Resolution Plan.*

2. The brief facts of the present case those are relevant for disposal of the present IA 449 of 2021 in (CP No. 4258 of 2019) may be stated as under :-

- i. The Applicant is the Administrator of Dewan Housing Finance Corporation Limited (“**DHFL**” or “**Corporate Debtor**” or the “**Company**”), a Non-Banking Financial Company (NBFC), registered under the Reserve Bank of India Act, 1934 (“**RBI Act**”), and having its registered address at Warden House, 2nd floor, Sir PM Road, Fort, Mumbai, Maharashtra 400001. The National Office of the Corporate Debtor is located at 6<sup>th</sup> Floor, HDIL Tower, Anant Kanekar Marg, Station Road, Bandra (E), Mumbai 400051.
- ii. On 20.11.2019, the Reserve Bank of India (“**RBI**”) superseded the erstwhile Board of Directors of the Corporate Debtor in exercise of powers conferred under Section 45-IE(2) of the RBI Act owing

to governance concerns and defaults by the Corporate Debtor in meeting various payment obligations and appointed the Applicant as the Administrator of the Corporate Debtor. A press release dated 20.11.2019 by the RBI in this regard was published. The press release further notes that the RBI also intended to shortly initiate the process of resolution of DHFL under the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 (“**FSP Rules**”) and would also apply to the Hon’ble NCLT for appointing the Administrator as the Insolvency Resolution Professional.

- iii. Thereafter on 22.11.2019, the RBI, in exercise of powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three-member Advisory Committee comprising of Dr Rajiv Lall, erstwhile Non-Executive Chairman, IDFC First Bank Ltd, Mr. N S Kannan, Managing Director and CEO, ICICI Prudential Life Insurance Co. Ltd and Mr. NS Venkatesh, Chief Executive, Association of Mutual Funds in India (“**Advisory Committee**”) to advise the Administrator in the operations of DHFL during the corporate insolvency resolution process (“**CIRP**”). A press release dated 22.11.2019 by the RBI was published. The press release further notes that the FSP Rules provide for the concerned Financial Sector Regulator to appoint a committee of advisors to advise the Administrator in the operations of DHFL during the CIRP.
- iv. The Applicant submits that on 29.11.2019, the RBI filed the captioned company petition (being CP(IB) 4258/MB/2019) (“**Company Petition**”) before this Hon’ble Mumbai bench of the National Company Law Tribunal (“**Hon’ble Tribunal**” or “**Hon’ble Adjudicating Authority**”) for initiation of CIRP of the Corporate Debtor under the provisions of Insolvency and Bankruptcy Code, 2016 (“**Code**”).
- v. This Hon’ble Adjudicating Authority/ Tribunal vide its Order

dated 03.12.2019 (“**Admission Order**”) admitted the captioned Company Petition and confirmed appointment of the Applicant as the Administrator in accordance with Rule 5(a)(iii) of the FSP Rules under the Code, to perform all the functions of the Resolution Professional and complete the CIRP of the Corporate Debtor. Further, the RBI vide its press release dated 04.12.2019, advised that the three (3) member Advisory Committee shall continue as the Advisory Committee constituted under Rule 5(c) of FSP Rules and that the Advisory Committee shall advise the Administrator in the operations of the Corporate Debtor during the CIRP.

- vi. The Applicant submits that Respondent No. 1 is the Committee of Creditors (“**CoC**”) of the Corporate Debtor, represented through Union Bank of India. Respondent No. 2, is Piramal Capital & Housing Finance Limited, is the Successful Resolution Applicant. The Applicant submits that Respondents No. 1 and 2 have been impleaded as proforma Respondents to the present application, and no reliefs have been sought against them.
- vii. Pursuant to the Admission Order, the Applicant on 04.12.2019, issued a public announcement (“**Public Announcement**”) in terms of Regulation 6 (1) of the CIRP Regulations, which specified the insolvency commencement date as 03.12.2019 (“**ICD**”), being the date of the appointment as Administrator of DHFL under the FSP Rules read with the provisions of the Code and the date of admission of the petition by this Hon’ble Tribunal. The Public Announcement invited creditors and public depositors of DHFL to submit their claims on or before 17.12.2019.
- viii. The Applicant submits that the number of public depositors of the Corporate Debtor were more than 10, and the since the public depositors are financial creditors, the public depositors constitute a “class of creditors” within the meaning of Regulation 2 (aa) of the CIRP Regulations.

- ix. As per regulation 8A (3) of the CIRP Regulations “*A creditor in class may indicate its choice of an insolvency professional from amongst the three choices provided by the interim resolution professional in the public announcement, to act as its authorized representative.*” The Applicant identified 3 professionals to act as Authorized Representatives of the public depositors viz (a) Mrs. Charu Sandeep Desai (IBBI/IPA-001/IP-P00434/2017-18/10757); (b) Deepak Kumar (IBBI/IPA-001/IP-P-01605/2018-2019/12431); and (c) Pravin Navandar (IBBI/IPA-001/IP-P00008/2016-17/10027). Pursuant to the Form CAs received by the Applicant, as on 24.12.2019, Mrs. Charu Sandeep Desai (IBBI/IPA-001/IP-P00434/2017-18/10757) received the votes of the highest number of public depositors to act as their authorised representative.
- x. The Applicant states that pursuant to the Public Announcement, claims were received from various creditors (including public depositors) of the Corporate Debtor. These claims were collected and collated and a list of creditors was prepared in accordance with Section 18(b) of the Code read with Regulations 13(1) and 13(2) of the CIRP Regulations.
- xi. The Applicant states that the CoC was constituted on 24.12.2019. The first meeting of the CoC was constituted on 30.12.2019, where various matters were discussed including appointment of Ernst & Young (“**EY**” or “**Process Advisors**”) as process advisors and AZB & Partners as legal advisors to assist the Applicant in carrying out functions during the CIRP.
- xii. In the second CoC meeting dated 16.01.2020, the Administrator informed the CoC about the appointment of RBSA Valuation Advisors LLP (“**RBSA**”) and Kapil Maheshwari as Registered Valuers for the purpose of determining the fair value and the liquidation value of the Corporate Debtor. In the said meeting, eligibility criteria for submission of expression of interest (“**EOI**”) by prospective resolution applicants (“**PRAs**”) for submitting resolution plans for the Corporate Debtor, issuance of Invitation for EOI and

Form G for submission of resolution plans for the Corporate Debtor were approved by the CoC.

- xiii. The Applicant submits that the Invitation for EOI allowed PRAs to submit EOIs under two 'Options'. Under Option I, PRAs were invited to submit EOIs for the entire business of DHFL as a going concern. Having regard to the complexity and scale of operations of DHFL, the Administrator in consultation with CoC, categorised the business of DHFL into three 'Groups' (collectively comprising all the assets of the Corporate Debtor) under Option II. Under this Option II, PRAs were invited to submit EOIs for one or more Groups as a going concern, as further detailed in the Invitation for EOI.
- xiv. The Applicant published Form G on 28.01.2020 for invitation of EOIs in several leading national and regional newspapers as well as the website of the Corporate Debtor. The Applicant had also uploaded the detailed invitation for EOI on the website of the Corporate Debtor.
- xv. Pursuant to the invitation for EOI, the Applicant received 24 (twenty-four) EOIs from PRAs by 17.02.2020 who were identified as the provisional PRAs. Pursuant to receipt of EOIs and evaluation of the documents submitted by the PRAs by the Applicant, CoC and the Process and legal advisors on the basis of the eligibility criteria, the final list of 23 (twenty-three) shortlisted PRAs was prepared in accordance with the Regulation 36 A (12) of the CIRP Regulations.
- xvi. The Applicant submits that the Information Memorandum (IM) was shared with the members of CoC. Further, all material information in relation to the CIRP such as insolvency resolution process costs, material litigations and other relevant financial and operational updates were discussed with the CoC during their meetings and also uploaded on the VDR from time to time.

## **RESOLUTION PLAN AND ITS APPROVAL**

- xvii. Pursuant to receipt of EOIs from the PRAs and evaluation thereof by the Applicant, CoC and the Process Advisors and Legal Advisors of



the Applicant on the basis of the eligibility criteria approved by the CoC, the final list of PRAs was prepared.

- xviii. The Applicant submits that in the third and fourth meeting of the CoC held on 20.02.2020, 11.03.2020, the CoC discussed, deliberated and considered the process to invite, review and approve resolution plans in accordance with a Request For Resolution Plan (RFRP). A request for resolution plans dated March 2, 2020 was issued, which invited resolutions plans for the Corporate Debtor by April 16, 2020. In consultation with the CoC, the request for resolution plans was subsequently revised on March 17, 2020 and August 15, 2020. The final request for resolution plan was issued on September 16, 2020, in accordance with the directions of the CoC and as per Regulation 36B of the CIRP Regulations (“**CIRP**”), which contained the evaluation matrix as approved in the fourth CoC meeting held on 11.03.2020 and specified the form and manner of submission of the resolution plans for the Corporate Debtor, which were to be submitted by 17.10.2020. Thereafter, the CoC from time to time extended the last date of submission of the resolution plans to enable the CoC to negotiate with the PRAs with the view to maximise the value for the stakeholders of the Corporate Debtor.
- xix. As stated above, based on the extension granted by the CoC to extend the last date of submission of the final resolution plans (for the resolution applicants who duly submitted resolution plans as per the timeline approved by the CoC in accordance with the provisions RFRP) was 22.12.2020. The following resolution plans were received within the final deadline.
- (i) Resolution plan submitted by India Opportunities Investments Singapore Pte. Ltd. in respect of Option I (as defined under the RFRP);
  - (ii) Resolution plan submitted by Piramal Capital & Housing Finance Limited in respect of Option I (as defined under the RFRP);

- (iii) Resolution plan submitted by Adani Properties Private Limited along with its wholly owned subsidiary Nirjara Pedestal Private Limited in respect of Option I (as defined under the RFRP);
  - (iv) Resolution plan submitted by Piramal Capital & Housing Finance Limited in respect of Option IIA (as defined under the RFRP);
  - (v) Resolution plan submitted by Adani Properties Private Limited along with its wholly owned subsidiary Nirjara Pedestal Private Limited in respect of Option IIB (as defined under the RFRP);
  - (vi) Resolution plan submitted by Adani Properties Private Limited along with its wholly owned subsidiary Nirjara Pedestal Private Limited in respect of Option IIC (as defined under the RFRP);
  - (vii) Resolution plan submitted by SC Lowy Primary Investments in respect of Option IIB (as defined under the RFRP).
- xx. During the ninth meeting of the CoC held on 26.10.2020, the CoC informed the Applicant about the appointment of an expert agency, Dun & Bradstreet (“**D&B**”) by the CoC for the purpose of assisting the CoC in conducting a feasibility and viability analysis of the Submitted Resolution Plans in terms of Section 30(4) of the Code. Subsequently, the CoC along with its advisors, including D&B, *inter-alia* discussed and deliberated the broad contours of the resolution plans in various CoC meetings.
- xxi. At the seventeenth and eighteenth meetings of the CoC held on 17.12.2020 (which continued after recess on 18.12.2020) and 24.12.2020 (which continued after recess on 25.12.2020) :
- i. D&B submitted its findings regarding the technical and commercial aspects of and feasibility and viability of the Submitted Resolution Plans; and
  - ii. the CoC discussed and deliberated upon the Submitted Resolution Plans in light of the findings presented by D&B.
- xxii. The Applicant, together with his Process Advisors and legal advisors,

analysed the Submitted Resolution Plans for compliance with the provisions of the Code and rules and regulations thereunder and confirmed to the CoC that the Submitted Resolution Plans are legally compliant as per the requirements of the Code (including under Section 30 of the Code, requirements under the FSP Rules and Regulations 38 and 39 of the CIRP Regulations) and can be placed before the CoC for voting in accordance with Section 30(3) of the Code. The legal compliance certificates in respect of each of the Submitted Resolution Plans were also prepared, which affirmed that the Submitted Resolution Plans were in compliance with the Code and the rules and regulations thereunder. Further, the CoC was informed through the VDR of the various deviations that the Submitted Resolution Plans had from the provisions of the RFRP dated 16.09.2020, including *inter alia* in relation to conditions to the implementation of the resolution plans, deviations from the formats prescribed in the RFRP and annexures to the RFRP, for the CoC's consideration and approval. The CoC and their advisors discussed and deliberated the aforesaid deviations in the eighteenth meeting of the CoC held on 24.12.2020 (and continued after recess on 25.12.2020)

- xxiii. Additionally, in accordance with the provisions of the Code and allied regulations made thereunder, the Applicant has the duty to (a) issue certifications under Form H to the CIRP Regulations that the relevant resolution applicants have submitted affidavits pursuant to Section 30(1) of the Code confirming their eligibility under Section 29A of the Code to submit resolution plans and that the contents of the said affidavits are in order; and (b) conduct due diligence based on the material on record in order to satisfy that the prospective resolution applicants comply with *inter alia* the applicable provisions of Section 29A of the Code. After due consultation with the CoC, the Applicant appointed GT to verify the eligibility of resolution applicants under Section 29A of the Code and to confirm the veracity of the accompanying affidavits. GT submitted a report under which none of the resolution applicants have been found to be ineligible under Section 29A of the Code, which was duly reviewed by the legal

advisors to the Administrator. The Applicant has accordingly conducted adequate due diligence based on the material available on record and formed a *prima facie* opinion that the resolution applicants are eligible under Section 29A of the Code, and accordingly informed the CoC of this view in its seventeenth meeting on December 18, 2020 (continued after recess on December 19, 2020)

xxiv. During the seventeenth meeting of CoC, the CoC in line with the requirements of the recently amended Regulation 39 of the CIRP Regulations discussed the tie-breaker formula which was considered for voting by the CoC in the said meeting and was voted in favour by 89.84% majority.

xxv. Subsequently, in accordance with Regulation 39 of the CIRP Regulations, the legally compliant Submitted Resolution Plans (along with the necessary deviations from the terms of the RFRP and waivers from the formats prescribed in the RFRP) were duly presented by the Administrator to the CoC at the eighteenth meeting of the CoC held on December 24, 2020 (which continued after recess on December 25, 2020) for the CoC's consideration in accordance with the provisions of the Code, the CIRP Regulations and the terms of the RFRP. The Submitted Resolution Plans were voted upon by the CoC during the ensuing voting window which remained open from December 30, 2020 to January 15, 2021.

xxvi. Additionally, in the eighteenth CoC meeting, the CoC also after discussion amongst themselves proposed a Resolution (being 'Voting Item #1') for "Manner of Distribution of proceeds of the Resolution" which was voted in favour by 86.95% majority.

xxvii. The voting result as regards the Submitted Resolution Plans was as follows:

- a) Resolution plan submitted by India Opportunities Investments Singapore Pte. Ltd. in respect of Option I (as defined under the RFRP) received 45.62 % votes;

- b) Resolution plan submitted by Piramal Capital & Housing Finance Limited in respect of Option I (as defined under the RFRP) received 93.65 % votes;
  - c) Resolution plan submitted by Adani Properties Private Limited along with its wholly owned subsidiary Nirjara Pedestal Private Limited in respect of Option I (as defined under the RFRP) received 18.65 % votes;
  - d) Combination of resolution plan submitted by Piramal Capital & Housing Finance Limited in respect of Option IIA (as defined under the RFRP), resolution plan submitted by Adani Properties Private Limited along with its wholly owned subsidiary Nirjara Pedestal Private Limited in respect of Option IIB (as defined under the RFRP), and resolution plan submitted by Adani Properties Private Limited along with its wholly owned subsidiary Nirjara Pedestal Private Limited in respect of Option IIC (as defined under the RFRP) received 15.12 % votes;
- xxviii. Combination of resolution plan submitted by Piramal Capital & Housing Finance Limited in respect of Option IIA (as defined under the RFRP), resolution plan submitted by SC Lowy Primary Investments in respect of Option IIB (as defined under the RFRP), and resolution plan submitted by Adani Properties Private Limited along with its wholly owned subsidiary Nirjara Pedestal Private Limited in respect of Option IIC (as defined under the RFRP) received 15.12 % votes;
- xxix. The CoC during their eighteenth meeting considered the resolution plan submitted by Respondent No. 2 (i.e. Piramal Capital & Housing Finance Limited) dated December 22, 2020 in respect of Option I (as defined under the RFRP) for voting. The voting window remained open from December 30, 2020 to January 15, 2021. The CoC during this voting window voted in favour of the resolution plan submitted by Respondent No. 2 by a majority of 93.65 % votes by voting in favour of the resolution titled 'Voting Item #5'. The said Voting Item

- #5, amongst other things, provided that the CoC shall approve the resolution plan subject to certain amendments / modifications made to the satisfaction of the CoC, and so as to give effect to the requirements of the CoC.
- xxx. Subsequently, legal advisors to the CoC on behalf of and for the benefit of the CoC sought an undertaking from the Successful Resolution Applicant, on behalf of the CoC, seeking relevant clarifications to the resolution plan pursuant to the above resolution passed by the CoC. Accordingly, the Successful Resolution Applicant submitted an additional undertaking dated January 21, 2021, which forms an integral part of the resolution plan (together, the “**Resolution Plan**”). Copies of the Resolution Plan dated December 22, 2020 submitted by the Successful Resolution Applicant for Option I and the undertaking dated January 21, 2021 submitted in relation thereto are annexed.
- xxxi. Voting Item #5 of the CoC resolution further provided that the Administrator (on behalf of the CoC) was authorised to issue a Letter of Intent to the Successful Resolution Applicant as per the terms of the RFRP subject: (a) to the fulfilment of the conditions mentioned in paragraph 5.13 above to the satisfaction of the CoC, or a waiver of such condition (in each case, as notified to the Administrator by (or on behalf of) the CoC in writing); and deviations to the RFRP in the Resolution Plan submitted by the Successful Resolution Applicant, if any and as disclosed to the CoC being: (i) waived by the CoC or (ii) being remedied, in each case, prior to the issuance of the Letter of Intent. Pursuant to the receipt of the additional undertaking dated January 21, 2021 the Administrator received written confirmation on behalf of CoC (dated January 22, 2021) to the effect that the conditions mentioned in paragraph one of Voting Item #5 have been complied with, to the satisfaction of the CoC and that the deviations to the RFRP if any and as disclosed to the CoC have been waived by the CoC or have been remedied, as applicable. Thereafter, on January 22, 2021 the Successful Resolution Applicant submitted a Performance Bank Guarantee (“**PBG**”) in accordance with the terms

of the Resolution Plan in a manner and form satisfactory to the CoC. The Administrator issued the Letter of Intent to the Successful Resolution Applicant on January 22, 2021 in accordance with the terms of the RFRP and on the instructions of the CoC which was accepted and returned by the Successful Resolution Applicant on the same day. Subsequently, at the request of the CoC, one clarificatory amendment was made to the PBG on January 27, 2021.

- xxxii. In accordance with the terms of the RFRP, on January 29, 2021, and after receipt of confirmation from Union Bank of India on behalf of the CoC (as the beneficiary of the earnest money deposit), the earnest money deposit submitted by the Successful Resolution Applicant was returned to the Successful Resolution Applicant.
- xxxiii. It is submitted that the Applicant has been updating the list of creditors from time to time and had uploaded the same on the website of the Corporate Debtor. The latest list of creditors as on December 14, 2020.
- xxxiv. The CoC, at the time of approval of the Resolution Plan i.e. during the eighteenth CoC meeting on December 24, 2020(which was continued after recess December 25, 2020), comprised the members exercising the voting share defined under Section 5(28) of the Code.
- xxxv. On January 25, 2021, the Applicant, in accordance with Rule 5 of the FSP Rules, submitted an application to the RBI seeking its 'no objection' to the Resolution Plan submitted by the Successful Resolution Applicant. Pursuant to the FSP Rules, the RBI communicated its 'no objection' on February 16, 2021 for change in control / ownership / management in the Corporate Debtor in terms of Rule 5(d)(iii) of the FSP Rules and also in terms of para 3 of NHB Circular – Housing Finance Companies – Approval of acquisition or transfer of control (NHB) Directions, 2016, subject to (*inter alia*) the condition that the deposit taking status of the Corporate Debtor will be revoked and the Corporate Debtor and/ or merged entity of the Corporate Debtor and Respondent No. 2 shall function as a non-deposit taking housing finance company.

xxxvi. On January 27, 2021, the Applicant sent a letter of intimation to the Insurance Regulatory and Development Authority of India (“**IRDAI**”) in relation to the CIRP of the Corporate Debtor, updating the IRDAI for its information and records about the proposed transactions under the Resolution Plan.

3. The Applicant submitted that the Compliance Certificate in Form- H under Regulation 39(4) of the Regulations showing the compliances of the Plan as mandatorily required under the Code and Regulations and that the Plan had been approved by the CoC which is produced as hereunder :-

**FORM H  
COMPLIANCE CERTIFICATE**

Under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

1. I, R. Subramaniakumar, the Administrator (“**Administrator**”) for the corporate insolvency resolution process (“**CIRP**”) of Dewan Housing Finance Corporation Limited (“**Corporate Debtor**” or “**CD**” or “**DHFL**”).
2. The details of the CIRP are as under:

Sl. No.	Particulars	Description
1	Name of the CD	Dewan Housing Finance Corporation Limited
2	Date of Initiation of CIRP	December 3, 2019
3	Date of Appointment of Administrator	December 3, 2019
4	Date of Publication of Public Announcement	December 5, 2019
5	Date of Constitution of Committee of Creditors (“ <b>CoC</b> ”)	December 24, 2019
6	Date of First Meeting of CoC	December 30, 2019
7	Date of confirmation of Appointment of Administrator by CoC	The present case being a CIRP of a Financial Service Provider (“ <b>FSP</b> ”), the Administrator has been appointed by the Hon’ble Adjudicating Authority by its order dated December 3, 2019, under Rule 5(a)(3) of Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 (“ <b>FSP Rules</b> ”)
8	Date of Appointment of Registered Valuers	The two (2) registered valuers as appointed under Regulation 27 read with Regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“ <b>CIRP Regulations</b> ”) were intimated about commencement of their assignment on January 13, 2020. The two valuers are; (a) <span style="float: right;">RBSA</span> Valuation Advisors LLP for all three categories of assets viz. land and building, plant and machinery, securities and financial assets (b) <span style="float: right;">Kapil</span> Maheshwari (registered as securities and financial



		assets valuer), Govind Panchal (Plant and Machinery valuer) and Anuj Kumar (Land and Building valuer) along with JLL who assisted the valuers in market research
9	Date of Issue of Invitation for EoI	January 28, 2020
10	Date of Final List of Eligible Prospective Resolution Applicants	March 12, 2020
11	Date of Invitation of Resolution Plan	September 16, 2020 (The Invitation of Resolution Plan was originally dated March 2, 2020, which got further revised on March 17, 2020 and August 15, 2020).
12	Last Date of Submission of Resolution Plan	December 22, 2020
13	Date of Approval of Resolution Plan by CoC	The Administrator presented the legally compliant resolution plans to the CoC in their eighteenth (18 <sup>th</sup> ) meeting held on December 24, 2020 (which continued after recess on December 25, 2020). The voting on the resolution plan commenced on December 30, 2020 and was concluded on January 15, 2021.
14	Date of Filing of Resolution Plan with Adjudicating Authority	<p>As required under rule 5(d)(ii) of the FSP Rules, an application was submitted to Reserve Bank of India ("RBI") for seeking its no-objection to the effect that it has no objection to the persons, who would be in control or management of the financial service provider after approval of the resolution plan under section 31 of the Insolvency and Bankruptcy Code ("<b>Code</b>"). The RBI vide its letter dated February 16, 2021 has provided their no-objection.</p> <p>The Resolution Plan is being filed with the Hon'ble Adjudicating Authority under section 30(6) of the Code on February 24, 2021</p>
15	Date of Expiry of 180 days of CIRP	<ul style="list-style-type: none"> <li>180<sup>th</sup> day of the present CIRP was originally envisaged to be May 31, 2020.</li> <li>In view of lockdown imposed by Central and State Government, due to Covid-19 pandemic, from time to time and in view of the NCLAT Order dated March 30, 2020 and Regulation 40C of the CIRP Regulations, the days under lockdown were excluded from the period of CIRP.</li> <li>Initially, the period from March 25, 2020 to July 31, 2020 was excluded from the CIRP period and accordingly, the 180<sup>th</sup> day stood at October 07, 2020</li> <li>Thereafter, the CoC approved the extension of period of CIRP as provided under section 12 of the Code, by 90 days and based on the Hon'ble Adjudicating Authority's order, the last date of CIRP stood at January 05, 2021 (including the initial exclusion and extension of 90 days)</li> <li>In view of continuing lockdown in the State of Maharashtra till October 31, 2020, an additional period of 60 days after July 31, 2020 was sought to be excluded from the CIRP period in line with the National Company Law Appellate Tribunal Order and necessary application was filed with the Hon'ble Adjudicating</li> </ul>
16	Date of Order extending the period of CIRP	
17	Date of Expiry of Extended Period of CIRP	

		<p>Authority. The Hon'ble Adjudicating Authority vide its order dated January 06, 2021, allowed exclusion of 60 days from the CIRP of DHFL.</p> <ul style="list-style-type: none"> <li>• Presently, the 270<sup>th</sup> day of the CIRP now is <b>March 05, 2021</b></li> </ul>
18	Fair Value	<ul style="list-style-type: none"> <li>• RBSA Valuation Advisors LLP - 40,810.26 Crores</li> <li>• Kapil Maheshwari, Govind Panchal and Anuj Kumar along with JLL - 44,168.37 Crores</li> </ul>
19	Liquidation value	<ul style="list-style-type: none"> <li>• RBSA Valuation Advisors LLP – 27,440.11 Crores</li> <li>• Kapil Maheshwari, Govind Panchal and Anuj Kumar along with JLL – 26,259.95 Crores</li> <li>• Average of the above – 26,850.03 Crores</li> </ul>
20	Number of Meetings of CoC held	19 (Nineteen)

3. I have examined the Resolution Plan received from Piramal Capital & Housing Finance Limited (“**Resolution Applicant**” or “**Successful Resolution Applicant**”) under Option I (as defined under the Request for resolution plan dated September 16, 2020) and same has been approved by the CoC of Dewan Housing Finance Corporation Limited.

4. I hereby certify that –

- the said Resolution Plan complies with all the provisions of the Code, the CIRP Regulations and the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and does not contravene any of the provisions of the law for the time being in force.
- The Resolution Applicant has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit a resolution plan. The contents of the said affidavit are in order.
- The said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by 93.65% of voting share (*by e-voting pursuant to 18<sup>th</sup> CoC Meeting*) of financial creditors (“**FCs**”) after considering its feasibility and viability and other requirements specified by the CIRP Regulations.
- I sought vote of members of the CoC by electronic voting system which was in accordance with the regulation 26 of the CIRP Regulations.

5. The list of financial creditors of the Dewan Housing Finance Corporation Limited being members of the CoC as on the date of voting on the resolution plans and distribution of voting share among them is as under:

Sr No	Member Name	Voting share in the CoC
1	State Bank of India (incl. SBI Singapore)	8.25%
2	Bank of India	4.74%
3	National Housing Bank	2.80%
4	Union Bank of India & Union Bank of India Andhra Bank & Union Bank of India Corporation Bank	4.09%
5	Canara Bank & Canara Bank Syndicate Bank	4.31%
6	Bank of Baroda	2.32%
7	Indian Bank & Indian Bank Allahabad Bank	1.62%
8	Punjab National Bank & Punjab National Bank Oriental Bank of Commerce & Punjab National Bank United Bank of India	3.38%

Sr No	Member Name	Voting share in the CoC
9	Central Bank of India	1.24%
10	IDBI Bank Limited	1.15%
11	Punjab & Sind Bank	0.87%
12	Indian Overseas Bank	0.77%
13	Bank of Maharashtra	0.69%
14	UCO Bank	0.60%
15	HDFC Bank Ltd	0.42%
16	Federal Bank	0.21%
17	Karnataka Bank Ltd	0.20%
18	Kotak Mahindra Bank	0.20%
19	South Indian Bank Limited	0.13%
20	NABARD	0.12%
21	ICICI Bank	0.0014%
22	Public Depositors represented by their Authorized Representative under Section 21 of the Code	6.18%
23	Catalyst Trusteeship Limited (Perpetual Series - I & II)	0.17%
24	Catalyst Trusteeship Limited (Perpetual Series - IV)	0.02%
25	Catalyst Trusteeship Limited (Perpetual Series - VI)	0.65%
26	Catalyst Trusteeship Limited (Perpetual Series- III)	0.05%
27	Catalyst Trusteeship Limited (Perpetual Series- V)	0.62%
28	Catalyst Trusteeship Limited (Secured Public Issue - 1)	5.16%
29	Catalyst Trusteeship Limited (Secured Public Issue - 2)	12.82%
30	Catalyst Trusteeship Limited (Secured Public Issue - 3)	13.13%
31	Catalyst Trusteeship Limited (Secured Series - IX)	0.40%
32	Catalyst Trusteeship Limited (Secured Series - V)	0.12%
33	Catalyst Trusteeship Limited (Secured Series - VI & VII)	0.06%
34	Catalyst Trusteeship Limited (Secured Series - VII)	0.33%
35	Catalyst Trusteeship Limited (Secured Series - VIII)	0.59%
36	Catalyst Trusteeship Limited (Secured Series - XII)	1.25%
37	Catalyst Trusteeship Limited (Secured Series - XIV)	1.35%
38	Catalyst Trusteeship Limited (Secured Series - XV)	3.40%
39	Catalyst Trusteeship Limited (Secured Series - XVI)	0.39%
40	Catalyst Trusteeship Limited (Secured Series - XVII)	0.55%
41	Catalyst Trusteeship Limited (Secured Series - XVIII)	1.83%
42	Catalyst Trusteeship Limited (Secured Series - XXI)	0.17%
43	Catalyst Trusteeship Limited (Secured Series - XXII)	0.11%
44	Catalyst Trusteeship Limited (Secured Series - XXIII)	0.31%
45	Catalyst Trusteeship Limited (Secured Series - XXIV)	4.26%
46	Catalyst Trusteeship Limited (Secured Series - XXV)	1.82%
47	Catalyst Trusteeship Limited (Unsecured Series - III)	0.22%
48	Catalyst Trusteeship Limited (Unsecured Series - IV)	0.19%
49	Catalyst Trusteeship Limited (Unsecured Series - IX)	0.08%
50	Catalyst Trusteeship Limited (Unsecured Series - V)	0.09%
51	Catalyst Trusteeship Limited (Unsecured Series - VI A)	0.02%
52	Catalyst Trusteeship Limited (Unsecured Series - VII A & B)	0.03%
53	Catalyst Trusteeship Limited (Unsecured Series - VIII)	0.12%
54	Catalyst Trusteeship Limited (Unsecured Series - XI)	0.10%
55	Catalyst Trusteeship Limited (Unsecured Series - XII)	0.49%
56	Catalyst Trusteeship Limited (Unsecured Series - XIII)	1.22%
57	Citicorp International Limited	1.04%
58	IDBI Trusteeship Limited DTD dated 04-Feb-10 for Rs.100 cr	0.13%
59	IDBI Trusteeship Limited DTD dated 12-Oct-09 for Rs.250 cr	0.09%
60	IDBI Trusteeship Limited DTD dated 19-Jul-10 for Rs.50 cr	0.06%
61	IDBI Trusteeship Limited DTD dated 23-Jan-12 for Rs.250 cr	0.31%
62	IDBI Trusteeship Limited DTD dated 24-Oct-08 for Rs.400 cr	0.02%
63	IDBI Trusteeship Limited DTD dated 30-Jul-10 for Rs.200 cr	0.26%

Sr No	Member Name	Voting share in the CoC
64	IDBI Trusteeship Limited DTD dated 5-Nov-12 for Rs.1000 cr	0.23%
65	International Finance Corporation	0.30%
66	SBI (Mauritius) LTD	0.11%
67	Afrasia Bank Limited	0.08%
68	The Korea Development Bank	0.08%
69	The Korea Development Bank, Singapore Branch	0.08%
70	CTBC Bank Co., Ltd	0.06%
71	Deutsche Bank AG, London Branch	0.06%
72	Taiwan Business Bank, Offshore Banking Branch	0.03%
73	Taiwan Cooperative Bank, Offshore Banking Branch	0.03%
74	IBM India Pvt. Ltd.	0.00%
75	Arkkan Opportunities Fund Ltd.	0.17%
76	SC Lowy Primary Investments Limited	0.28%
77	Burlington Loan Management DAC	0.17%
	<b>Grand Total</b>	<b>100.0%</b>
	<b>Total Percentage Voting FOR</b>	<b>93.65%</b>
	<b>Total Percentage Voting AGAINST</b>	<b>6.3%</b>
	<b>Total Percentage ABSTAINED</b>	<b>0.05%</b>

6. The Resolution Plan includes a statement under regulation 38(1A) of the CIRP Regulations as to how it has dealt with the interests of all stakeholders in compliance with the Code and regulations made thereunder.
7. The Resolution Plan includes a statement in accordance with rule 5(d)(i) of the FSP Rules explaining how the Resolution Applicant satisfies or intends to satisfy the requirements of engaging in the business of the financial service provider as per laws for the time being in place.

8. The amounts provided for the stakeholders under the Resolution Plan is as under:

Under Section 2.5.5 of Part A of the Resolution Plan, the Successful Resolution Applicant has acknowledged the discretion of the CoC in determining the distribution of the Financial Creditors Payment Amount. In accordance with Section 30(4) of the Code, the CoC at its eighteenth meeting on December 24, 2020 (which continued after recess of December 25, 2020), considered the manner of distribution of the resolution amount, and passed a resolution with 86.95% majority approving the mechanism for distribution of resolution proceeds.

Accordingly, based on the resolution for manner of distribution prepared by the advisors to the CoC, following is the distribution approved by the CoC.

**Interim Distribution Working:**

(Amount in lakhs)

SN o	Category	Sub-Category	Amount Claimed	Amount Admitted	Amount provided under the Plan#	Amount t provid ed to t he amoun t Claim ed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Secured Financial Creditors	(a) Creditors not having a right to vote under subsection(2 ) of section 21	13,468	13,464	5,755	42.73 %
		(b) Other than (a) above:				
1.		i. who did not vote in favour of the resolution plan	5,45,889	5,40,027	1,24,909	22.88 %
		ii. who voted in favour of the resolution plan**	82,85,311	77,76,978	33,23,967	40.12 %

		Total (a) + (b)	<b>88,44,668</b>	<b>83,30,469</b>	<b>34,54,631</b>	<b>39.06%</b>
	Unsecured Financial Creditors	(a) Creditors not having a right to vote under subsection(2) of section 21	2,50,000	-	-	0.00%
2.		(b) Other than (a) above:				
		i. who did not vote in favour of the resolution plan	12,511	12,489	156	1.25%
		ii. who voted in favour of the resolution plan	3,65,369	3,65,341	17,643	4.83%
		Total (a) + (b)	<b>6,27,880</b>	<b>3,77,830</b>	<b>17,799</b>	<b>2.83%</b>
3.	Operational creditor	(a) Related Party of Corporate Debtor	-	-	-	<b>0.00%</b>
		(b) Other than (a) above				
		Government	-	-	-	<b>0.00%</b>
		Workman	-	-	-	<b>0.00%</b>
		Employees	244	230	230	94.40%
		Others	22,737	16,239	373	1.64%
		Total[(a) + (b)]	<b>22,981</b>	<b>16,470</b>	<b>603</b>	<b>2.63%</b>

4	Other debts and dues	5,05,720	0.00	-	0.00%
7	Grand Total	1,00,01,249	87,24,769	34,73,033	34.73%

*Total Resolution Amount is considered as INR 37,250 crores as per the Resolution Plan submitted by the PRA. For the purpose of the interim distribution, an amount of INR 2436.67 crores, being the amount being subject matter of the IA 1104 / 2020 in C.P. (IB) No. 4258 /2019 and INR 83 crores, being the amount proposed to be set aside by the CoC for inter alia, meeting its costs related to the CIRP process (as per the Resolution for Manner of Distribution passed by the CoC.)*

**Notes:**

- These are indicative distribution workings as per the distribution mechanics for interim distribution approved vide the resolution passed by the CoC in this regard. However, the final distribution shall be subject to the outcome of the IA 1104 / 2020 in C.P. (IB) No. 4258 /2019 pending before the Hon'ble Adjudicating Authority.
- The above distribution working is based on the resolution for "Manner of distribution of resolution proceeds" as discussed by the CoC in their 18<sup>th</sup> CoC meeting and approved by the requisite majority.
- The details of the interim arrangement in IA 1104 / 2020 in C.P. (IB) No. 4258 /2019 as filed before the Hon' NCLT, Mumbai by CoC and NHB jointly is given as **Appendix A** to this document.
- The list of creditors not having a right to vote under sub-section (2) of Section 21 along with their claim details has been disclosed to the CoC from time to time during their meetings.
- The distribution working set out above includes the following:
  - an amount of INR 1000,00,00,000 (One Thousand Crores), that is equivalent to the value attributed by the Successful Resolution Applicant to DHFL Investments Limited's, one of the wholly owned subsidiaries of DHFL, existing stake (i.e. holding of 50% equity) in Pramerica Life Insurance Company Limited (erstwhile DHFL Pramerica Life Insurance Company Limited)
  - an amount of INR 1000 crore (One Thousand Crores Only) as Upfront Interest Payment in accordance with Section 2.14.2 of Part A of the Resolution Plan

\*Claims which are pending consideration before various judicial authorities have been admitted as contingent liabilities at INR 1

\*\* This amount includes NHB's admitted claim of INR 2436.67 crores

In addition to the above interim distribution working, two (2) additional scenarios have been contemplated depending on the outcome of the IA 1104 / 2020 in C.P. (IB) No. 4258 /2019 pending before the Hon'ble Adjudicating Authority. The scenarios are set out below.

**Scenario I - If the outcome of IA 1104 / 2020 in C.P. (IB) No. 4258 /2019 is in favour of the CoC of DHFL.**

**Scenario II - If outcome of IA 1104 / 2020 in C.P. (IB) No. 4258 /2019 is in favour of National**

Scenario I							Housing Bank.
Sr No	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount provided under the Plan #	Amount provided to the amount Claimed (%)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	

	Secured Financial Creditors	(a) Creditors not having a right to vote under subsection(2) of section 21	13,468	13,464	6,176	45.86%
		(b) Other than (a) above:				
1.		i. Who did not vote in favour of the resolution plan	5,45,889	5,40,027	1,24,909	22.88%
		ii. Who voted in favour of the resolution plan**	82,85,311	77,76,978	35,67,213	43.05%
		<b>Total[(a) + (b)]</b>	<b>88,44,668</b>	<b>83,30,469</b>	<b>36,98,298</b>	<b>41.81%</b>
	Unsecured Financial Creditors	(a) Creditors not having a right to vote under subsection(2) of section 21	2,50,000	-	-	0.00%
		(b) Other than (a) above:				
2.		i. Who did not vote in favour of the resolution plan	12,511	12,489	156	1.25%
		ii. Who voted in favour of the resolution plan	3,65,369	3,65,341	17,643	4.83%
		<b>Total[(a) + (b)]</b>	<b>6,27,880</b>	<b>3,77,830</b>	<b>17,799</b>	<b>2.83%</b>
3.	Operational creditor	(a) Related Party of Corporate Debtor	0	0	0	0%
		(b) Other than (a) above				
		Government	0	0	0	0%
		Workman	0	0	0	0%
		Employees	244	230	230	94.40%
		Others	22,737	16,239	373	1.64%
		<b>Total[(a) + (b)]</b>	<b>22,981</b>	<b>16,470</b>	<b>603</b>	
4	Other		<b>5,05,72</b>	<b>0.00</b>	<b>-</b>	<b>0.00%</b>



debts and	0			
dues				
Grand	1,00,01	87,24,76		37.16%
Total	,249	9	37,16,700	

***This table is to be read along with the notes as mentioned below the table titled 'Interim Distribution Working'***

\*Claims which are pending consideration before various judicial authorities have been admitted as contingent liabilities at INR 1

\*\* This amount includes NHB's admitted claim of INR 2436.67 crores and is arrived at after considering the additional recovery to the creditors as set out in the interim arrangement as per **Appendix A**

In the above scenario, the total resolution amount is assumed to INR 37, 250 crores reduced by INR 83 crores, being the amount proposed to be set aside by the CoC for inter alia, meeting its costs related to the CIRP process (as per the Resolution for Manner of Distribution passed by the CoC).

Scenario II						
Sr No	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount provided under the Plan#	Amount provided to the amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Secured Financial Creditors	(a) Creditors not having a right to vote under subsection(2) of section 21	13,468	13,464	5,755	42.73%
		(b) Other than (a) above:				
		i. Who did not vote in favour of the resolution plan	5,45,889	5,40,027	1,24,909	22.88%
		ii. Who voted in favour of the resolution plan**	82,85,311	77,76,978	35,67,634	43.06%
		Total (a) + (b)	<b>88,44,668</b>	<b>83,30,469</b>	<b>36,98,298</b>	<b>41.81%</b>
2.	Unsecured Financial Creditors	(a) Creditors not having a right to vote under subsection(2) of section 21	2,50,000	-	-	0.00%
		(b) Other than (a) above:				

		i. Who did not vote in favour of the resolution plan	12,511	12,489	156	1.25%
		ii. Who voted in favour of the resolution plan	3,65,369	3,65,341	17,643	4.83%
		Total (a) + (b)	<b>6,27,880</b>	<b>3,77,830</b>	<b>17,799</b>	2.83%
3.	Operational creditor	Related Party of Corporate Debtor Other than (a) above	0	0	0	0%
		Government	0	0	0	0%
		Workman	0	0	0	0%
		Employees	244	230	230	94.40%
		Others	22,737	16,239	373	1.64%
		Total[(a) + (b)]	<b>22,981</b>	<b>16,470</b>	<b>603</b>	
4	Other debts and dues		<b>5,05,720</b>	0.00	-	<b>0.00%</b>
	Grand Total		<b>1,00,01,249</b>	<b>87,24,769</b>	<b>37,16,700</b>	<b>37.16%</b>

***This table is to be read along with the notes as mentioned below the table titled 'Interim Distribution Working'***

In the above scenario, the total resolution amount is assumed to INR 37, 250 crores reduced by INR 83 crores, being the amount proposed to be set aside by the CoC for inter alia, meeting its costs related to the CIRP process (as per the Resolution for Manner of Distribution passed by the CoC).

\*Claims which are pending consideration before various judicial authorities have been admitted as contingent liabilities at INR 1

\*\* This amount includes NHB's admitted claim of INR 2436.67 crores and is arrived at after considering the additional recovery to the creditors as set out in the interim arrangement as per **Appendix A**

9. The interests of existing shareholders have been altered by the resolution plan as under:

Sl. No	Category of Share Holder	No. of Shares held before CIRP	No. of Shares held after the CIRP	Voting Share (%) held before CIRP	Voting Share (%) held after CIRP
1	Equity	31,38,23,02 4	0	100%	0
2	Preference	0	0	0	0

10. The compliance of the Resolution Plan is as under:

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?	Paragraph 4 of the Executive Summary and Part B	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Administrator or Order, if any, of the Adjudicating Authority?	Paragraph 4 and 8 of the executive summary, Section 2.11, Part B and Annexure 4	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	Annexure 4	Yes
Section 30(2)	Whether the Resolution Plan-		
	(a) provides for the payment of insolvency resolution process costs?	Section 1.2, 2.1.2 read with Schedule II	Yes
	(b) provides for the payment to the operational creditors?	Sections 1.2, 2.2.1, 2.2.2, 2.3.1 and 2.3.2 read with Step II, Schedule II	Yes
		Sections 1.2, 2.4.1 and 2.4.2 read with Step II, Schedule I	Yes <sup>1</sup>

<sup>1</sup> Under Section 1.7 of Part A of the Resolution Plan, the CoC has the discretion to decide the manner of distribution. As per Sections 2.4.1 to 2.4.3 of the Resolution Plan, the Resolution Applicant and the CoC shall ensure payment to the dissenting financial creditors is made in priority.

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(c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan? Section 2.12, read with Schedule II, and Part B Yes

(d) provides for the management of the affairs of the corporate debtor? Section 6, read with Schedule II Yes

(e) provides for the implementation and supervision of the resolution plan? Paragraph 5 (c) of Executive Summary, read with Section 7 Yes

(f) contravenes any of the provisions of the law for the time being in force?

Section 30(4) Whether the Resolution Plan:

(a) s feasible and viable, according to the CoC? Section 3.4 of Part B Yes

(b) as been approved by the CoC with 66% voting share? Yes. The Administrator presented the legally compliant resolution plans to the CoC in the 18<sup>th</sup> CoC Meeting dated December 24, 2020(which continued post recess on December 25, 2020). The voting on the resolution plan commenced on December 30, 2020 and was concluded on January 15, 2021. Yes

Section 31(1) Whether the Resolution Plan has Section 6 read with Schedule II Yes

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		provisions for its effective implementation plan, according to the CoC?		
Regulation 35A		Where the Administrator made a determination if the corporate debtor has been subjected to any transaction of the nature covered under sections 43, 45, 50 or 66, before the one hundred and fifteenth day of the insolvency commencement date, under intimation to the Board?	NA	Yes
Regulation 38(1)(a)	38	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Sections 1.2, 2.2.1, 2.2.2, 2.3.1 and 2.3.2 read with Step II, Schedule II	Yes
Regulation 38(1)(b)	38	Whether the amount due to the financial creditors, who have a right to vote and did not vote in favour of the Resolution Plan have been given priority over financial creditors who vote in favour of the Resolution Plan?	Sections 1.2, 2.4.1 and 2.4.2 read with Step II, Paragraph 5 (iv) Schedule II	Yes <sup>2</sup>
Regulation 38(1A)		Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Section 2.10	Yes
Regulation 38(1B)	(i)	Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. If so, whether the Resolution Applicant has submitted the statement giving details of such non-	Paragraph 5 (f) of Executive Summary	Yes

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<sup>2</sup>Under Section 1.7 of the Part A of the Resolution Plan, the CoC has the discretion to decide the manner of distribution. As per Sections 2.4.1 to 2.4.3 of the Resolution Plan, the Resolution Applicant and the CoC shall ensure payment to the dissenting financial creditors is made in priority

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implementation?

Regulation

38(2)

Whether the Resolution Plan provides:

(a)	the term of the plan and its implementation schedule?	Section 8 read with Schedule II	Yes
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(b)	or the management and control of the business of the corporate debtor during its term?	Schedule II, clause 2	Yes
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		Schedule II (read with Part B)	Yes
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(c)

adequate means for supervising its implementation?

38(3)

Whether the resolution plan demonstrates that –

(a)	it addresses the cause of default?	Section 3.2.8 of Part B	Yes
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(b)	it is feasible and viable?	Section 3.4 of Part B	Yes
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		Section 3.4 of Part B and Schedule II	Yes
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(c)	it has provisions for its effective implementation?	Sections 7 and 9, read with Schedule IIIA	Yes
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(d)	it has provisions for approvals required and the timeline for the same?	Section 2 of Schedule IV	Yes
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(e)

he resolution applicant has  
the capability to implement  
the resolution plan?

39(2)

Whether the Administrator has filed  
applications in respect of  
transactions observed, found or  
determined by him?

Details provided at serial number 16 Yes  
below.

Regulation

39(4)

Provide details of performance  
security received, as referred to  
in sub-regulation (4A) of  
regulation 36B.

Performance security dated January Yes  
21, 2021 received initially from the  
Resolution Applicant on January 22,  
2021. Thereafter, a revised  
performance security with a minor  
clarificatory amendment was issued by  
the Resolution Applicant on January  
27, 2021

11. The CIRP has been conducted as per the timeline indicated as under:

Section of the Code / Regulation No.	Description of Activity	Latest Timeline under regulation 40A	Actual Date
Section 16(1)	Commencement of CIRP and Appointment of IRP	T	December 3, 2019
Regulation 6(1)	Publication of Public Announcement	T+3	December 5, 2019
Section 15(1)(c) / Regulation 12 (1)	Submission of Claims	T+14	December 17, 2019
Regulation 13(1)	Verification of Claims	T+21	The first list of creditors ("LoC") version 1 was issued on January 28, 2020. The Administrator has been receiving and reviewing additional claims filed in the CIRP of the CD. Till date the Administrator has issued 7 versions of the LoC ( <i>with the last version dated December 14, 2020</i> ).
Section 26(6A) / Regulation 15A	Application for Appointment of Authorised Representative, if necessary	T+23	December 24, 2019
Regulation 17(1)	Filing of Report Certifying Constitution of CoC	T+23	December 24, 2019
Section 22(1) and regulation 17(2)	First Meeting of the CoC	T+30	December 30, 2019
Regulation 35A	Determination of fraudulent and other transactions	T+115	An Opinion that Corporate Debtor has been subjected to transaction under section 43 to 51 and 66 was

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			<p>communicated to IBBI on March 22, 2020.</p> <p>A determination of avoidance transactions covered under section 43 to 51 was made on July 11, 2020 and the same was communicated to IBBI on July 27, 2020.</p> <p>Considering the complexity and size of transactions involved and the continuing mobility restrictions in Mumbai, Maharashtra on account of the State level lockdown, there was a delay in completion of audit by the Transaction Auditor. This fact was informed to the IBBI from time to time seeking condonation of delay.</p> <p>Additionally, considering the size of the business and that many key employees of the company had already left the organization prior to commencement of CIRP, there was a delay in availability and extraction of data, which lead to delay in this activity.</p>
Regulation 27	Appointment of two Registered Valuers	T+47	<p>The two (2) registered valuers as appointed under Regulation 27 of CIRP Regulations were intimated about commencement of their assignment on January 13, 2020. The two valuers are;</p> <p>1. RBSA Valuation Advisors LLP. 2. Kapil Maheshwari, Govind Panchal and Anuj Kumar along with JLL.</p>
Regulation 36 (1)	Submission of Information Memorandum to CoC	T+54	<p>The information memorandum was uploaded on the virtual data room on January 24, 2020, February 12, 2020 June 26, 2020 based on the revised details available from time to time. The access to information memorandum was granted to the CoC members as and when they executed a confidentiality undertaking as required under regulation 36 of the CIRP regulations.</p>
Regulation 36A	Invitation of EoI	T+75	January 28, 2020
	Publication of Form G	T+75	January 28, 2020
	Provisional List of Resolution Applicants	T+100	February 26, 2020
	Final List of Resolution Applicants	T+115	March 12, 2020
Regulation 36B	Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants	T+105	<p>September 16, 2020 (The Invitation of Resolution Plan was originally dated March 2, 2020, which got further revised on March 17, 2020 and August 15, 2020).</p>



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Section 30(6) / Regulation 39(4)	Submission of CoC approved Resolution Plan	T+165	February 24, 2021
Section 31(1)	Approval of Resolution Plan	T+180	Application submitted to Hon'ble Adjudicating Authority under section 30(6) of the Code on February 24, 2021

12. The time frame proposed for obtaining relevant approvals is as under:

Given below is a summary of the timelines and implementation schedule as provided in the Resolution Plan:

Step No.	Steps under the Resolution Plan	Indicative Timeline (in days)
<b>Adjudicating Authority Approval Date</b>		X
I.	Post Adjudicating Authority Approval Date Actions	X + 30 (T)*
II.	Payment of Total Resolution Amount and Assignment of Debt	T+ 1
III.	Infusion of Equity Contribution in the Corporate Debtor	T + 2
IV.	Delisting	T + 3
V.	Capital Reduction	T + 4
VI.	Scheme of Arrangement	T + 5

\* **Note:** Schedule II of the Resolution Plan provides that subject to Section 9 (Conditions) of Part A of the Resolution Plan, the overall implementation process shall be completed within period of 90 days. Annexure 1 to the Resolution Plan provides that any delay due to litigation or non-fulfilment of Conditions shall be excluded from the 90 days.

“Implementation Date” as defined in the Resolution Plan shall mean the date on which all steps as set out in Schedule II (Implementation Schedule) are completed, and is the date on which ownership of the Corporate Debtor is transferred to the Successful Resolution Applicant; and the date on which the implementation of the Resolution Plan is completed.

13. The Resolution Plan is subject to the following contingencies:

The Successful Resolution Plan includes the following conditions to the implementation of the resolution plan in clause 7.6 as replicated below:

**CONDITIONS TO THE IMPLEMENTATION OF THE RESOLUTION PLAN**

Section 9 of the Resolution Plan sets out the following conditions that needs to be satisfied prior to implementation of the Resolution Plan:

S. No.	Nature of Approval	Relevant Government Authority for grant of approval	Timelines estimated by the Successful Resolution Applicant for obtaining approvals
1.	No objection to the Successful Resolution Applicant being in control of the management of the Corporate Debtor after the implementation of the Resolution Plan.	Reserve Bank of India	–

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S. No.	Nature of Approval	Relevant Government Authority for grant of approval	Timelines estimated by the Successful Resolution Applicant for obtaining approvals
	Approval from the Reserve Bank of India was received on February 16, 2021.		
2.	Approval of the Resolution Plan	Adjudicating Authority	
3.	(a) Acquisition of the Corporate Debtor*; and (b) merger of Successful Resolution Applicant into the Corporate Debtor and consequential change in the shareholding*; (c) a waiver in relation to the requirement of (i) issuing a public notice of such acquisition 30 days prior to its completion*, and (ii) intimating the NHB of the change in board of directors of the Corporate Debtor within 30 days of such change	Reserve Bank of India	2 - 3 months
4.	(a) Approval for the assignment of external commercial borrowings of the Corporate Debtor and masala bonds issued by the Corporate Debtor to the Successful Resolution Applicant in accordance with Step II of Schedule II (Implementation Schedule).  (b) In the event, and to the extent, that the approval of the RBI has not been granted under paragraph 4(a) above, then the Corporate Debtor shall obtain the approval for conversion of such part of the external commercial borrowings of the Corporate Debtor and masala bonds issued by the Corporate Debtor which have not been repaid from the balance Upfront Cash Recovery in accordance with Step II of Schedule II (Implementation Schedule), into equity of the Corporate Debtor	Reserve Bank of India	2 - 3 months
5.	Delisting of the non-convertible debentures issued by the Corporate Debtor	Relevant stock exchange	2 - 3 months
6.	Acquisition of control of the Corporate Debtor and amalgamation of the Successful Resolution Applicant with the Corporate Debtor	Competition Commission of India	1 - 2 months  Application submitted to CCI on February 19, 2021
7.	Such other regulatory approvals as may be directed by the Hon'ble Adjudicating Authority, in relation to the amalgamation of the Successful Resolution Applicant with the Corporate Debtor in accordance with Schedule II (Implementation Schedule)	Adjudicating Authority	

*\*Note that the RBI in its 'no objection' letter dated February 16, 2021 has provided its 'no objection' to the acquisition of the Corporate Debtor and merger of the Successful Resolution Applicant into the Corporate Debtor (subject to the conditions contained therein), and dispensed with the requirement of issuing a public*

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*notice of such acquisition 30 days prior to its completion.*

Since the implementation of the Resolution Plan is subject to certain conditions being fulfilled to the Successful Resolution Applicant, the timeline of 90 (ninety) days from the Adjudicating Authority Approval Date (as defined in the Resolution Plan) provided in relation to payment of any cash recovery to the creditors of the Corporate Debtor shall be extended by such number of days which are equal to those required to fulfil such Conditions

14. Following are the deviations / non-compliances of the provisions of the Insolvency and Bankruptcy Code, 2016, regulations made or circulars issued thereunder (If any deviation/ non-compliances were observed, please state the details and reasons for the same): **Not Applicable.**

15. The Resolution Plan is being filed **9** days before the expiry of the period of CIRP provided in section 12 of the Code.

16. Provide details of section 66 or avoidance application filed / pending:

Sr.No.	Type of Transaction	Date of Filing with Date of Order of Brief of the Adjudicating Authority	Date of Order of Brief of the Adjudicating Authority
1	Preferential transactions under section 43	<b>Interlocutory Application No. 2709138/00712/2021 (Diary)</b>  Administrator of DHFL vs Bank of Baroda & Ors  Date of filing:- February 10, 2021 <b>Interlocutory Application No. 2709138/00706/2021 (Diary)</b>  Administrator of DHFL vs Nippon Life India Asset Management Limited & Ors  Date of filing:- February 10, 2021	N.A          N.A
2	Fraudulent transactions under section 66  Undervalued transactions under section 45	<b>Interlocutory Application No. 1912 of 2020</b>  R Subramaniakumar, Administrator of DHFL Vs Kapil Wadhawan & Ors.  Date of filing:- October 5,	N.A          N.A

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		2020 <b>Interlocutory Application N.A</b> <b>No. 257 of 2021</b>	N.A
		Administrator of DHFL Vs. Kapil Wadhawan	
		Date of filing:- February 3, 2021 <b>Interlocutory Application N.A</b> <b>(Diary) No. 2709138/ 04958/</b> <b>2020</b>	N.A
		Administrator of DHFL Vs. Kapil Wadhawan & Ors.	
		Date of filing:- December 12, 2020 <b>Interlocutory Application N.A</b> <b>No. (Diary)</b> <b>2709138/00894/2021</b>	N.A
		Administrator of DHFL Vs Kapil Wadhawan & Ors	
4	Fraudulent transactions under section 66	Date of filing:- February 20, 2021 <b>Interlocutory Application N.A</b> <b>No. 1639 of 2020</b>	N.A
		R Subramaniakumar, Administrator of DHFL Vs. Kapil Wadhawan & Ors.	
		Date of filing:- August 30, 2020 <b>Interlocutory Application N.A</b> <b>(Diary) No.</b> <b>27091380033462020</b>	N.A
		R Subramaniakumar, Administrator of DHFL Vs. Kapil Wadhawan & Ors.	
		Date of filing:- September 27, 2020 <b>Interlocutory Application N.A</b> <b>(Diary) No. 2709138/ 04953/</b>	N.A

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**2020**

Administrator of DHFL

Vs.

Kapil Wadhawan & Ors

Date of filing:- December 12,  
2020

5      Fraudulent transactions under section 66      **Interlocutory Application (Diary) No. 2709138/ 04954/ 2020**      N.A      N.A

Preferential transactions under section 43

Administrator of DHFL

Vs.

Kapil Wadhawan & Ors.

Date of filing:- December 12,  
2020

Undervalued transaction under section 45

*Additional documents/affidavits as required to be filed before Hon' NCLT in the above cases will be filed in due course based on requirement of each case.*

16A. The committee has approved a plan providing for contribution under Regulation 39B as under: *Not applicable. In the 18<sup>th</sup> CoC, the CoC of the Corporate Debtor discussed and noted that the Company presently has sufficient cash available to meet any such costs as envisaged in Reg. 39B and accordingly, no such estimated was required to be made.*

- a. Estimated liquidation cost: NA
- b. Estimated liquid assets available: NA
- c. Contributions required to be made: NA
- d. Financial creditor wise contribution is as under: NA

17. I, R. Subramaniakumar hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed therefrom.

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Name of the Administrator: R. Subramaniakumar  
Email id as registered with the Board: dhfladministrator@dhfl.com

Date: 24 February

Place: Mumbai

Enclosed: **Appendix A**

## **SALIENT FEATURES OF THE APPROVED RESOLUTION PLAN**

Capitalised terms not defined herein shall have the meaning ascribed to it under the Resolution Plan. An indicative summary of the keys terms of the Resolution Plan are set out below:

## **SUMMARY OF IMPLEMENTATION SCHEDULE**

Given below is a summary of the timelines and implementation schedule as provided in Clause 3 of Schedule II of the Resolution Plan:

<i>Step No.</i>	<i>Steps under the Resolution Plan</i>	<i>Indicative Timeline (in days)</i>
	<i>NCLT Approval Date</i>	X
<b>VII.</b>	Post NCLT Approval Date Actions	X + 30 (T)*
<b>VIII.</b>	Payment of Total Resolution Amount and Assignment of Debt	T+ 1
<b>IX.</b>	Infusion of Equity Contribution in the Corporate Debtor	T + 2

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<b>X.</b>	Delisting	T + 3
<b>XI.</b>	Capital Reduction	T + 4
<b>XII.</b>	Scheme of Arrangement	T + 5

*\* **Note:** Schedule II of the Resolution Plan provides that subject to Section 9 (Conditions) of Part A of the Resolution Plan, the overall implementation process shall be completed within period of 90 days. Annexure 1 to the Resolution Plan provides that any delay due to litigation or non-fulfilment of CPs shall be excluded from the 90 days.*

“Implementation Date” as per the Resolution Plan shall mean the date on which all steps as set out in Schedule II (Implementation Schedule) are completed, and is the date on which ownership of the Corporate Debtor is transferred to the Successful Resolution Applicant; and the date on which the implementation of the Resolution Plan is completed.

## **SUMMARY OF FINANCIAL PROPOSAL**

- a. Section 1.3 of Part A of the Resolution Plan provides that the Total Resolution Amount shall mean an aggregate of INR 33,250 crores (Thirty-Three Thousand Two Hundred Fifty Crores Only), comprising of a combination of cash

and non-cash consideration to be offered in the following manner:

- i. Upfront Cash Recovery aggregating to INR 13,700 Crores (Thirteen Thousand Seven Hundred Crores Only); and
  - ii. Debt Securities of INR 19,550 Crores (Nineteen Thousand Five Hundred Fifty Crores Only) being issued by the Successful Resolution Applicant to the creditors of the Corporate Debtor in the manner detailed in *Step II of Schedule II (Implementation Schedule)*.
- b. Sections 1.3 and 2.5.5 of Part A of the Resolution Plan provide that the Upfront Cash Recovery includes (i) an amount of INR 150,00,00,000 (One Hundred Fifty Crores), which amount the Successful Resolution Applicant has requested the CoC to consider allocating to the Fixed Deposit Holders, as further detailed in Section 2.5.5 of the Resolution Plan; (ii) an amount of INR 1000,00,00,000 (One Thousand Crores), that is equivalent to the value attributed by the Successful Resolution Applicant to DHFL Investments Limited (**“DIL”**), one of the wholly owned subsidiaries of DHFL, existing stake (i.e. holding of 50% equity) in Pramerica Life Insurance Company Limited (**“PLIL”**) (erstwhile DHFL Pramerica Life Insurance Company Limited); and (iii) an amount of INR 1000 crore (One Thousand Crores Only) as Upfront Interest Payment



in accordance with Section 2.14.2 of Part A of the Resolution Plan.

- c. Section 1.3 of Part A of the Resolution Plan further clarifies that the Upfront Cash Recovery shall stand enhanced to INR 14,700 Crores (Fourteen Thousand Seven Hundred Crores Only). It further states that in addition to this Total Resolution Amount, an amount aggregating to approximately INR 3000,00,00,000 (Three Thousand Crores Only) shall be attributable to the CoC pursuant to clause 3.13.3(d) of the RFRP. Accordingly, in summary, the total resolution amount as per the Resolution Plan of Respondent No. 2 is INR 37,250 crores (Thirty Seven Thousand Two Hundred Fifty Crores Only) comprising of:
- i. Upfront Cash of INR 14,700 Crores (Fourteen Thousand Seven Hundred Crores Only);
  - ii. Entitlement as per clause 3.13.3(d) of the RFRP amounting to approximately INR 3,000 Crores (Three Thousand Crores Only) (this amount is an estimate and may vary as on the date of distribution);
  - iii. Debt Securities of INR 19,550 Crores (Nineteen Thousand Five Hundred Fifty Crores Only).
- d. Debt Securities of INR 19,550 Crores (Nineteen Thousand Five Hundred Fifty Crores Only) being issued by the Successful Resolution Applicant to financial creditors of the Corporate Debtor according to the following terms:

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<b>Instrument</b>	Non-Convertible Debentures (NCDs)
<b>Issuer</b>	Piramal Capital and Housing Finance Limited
<b>Subscriber</b>	As determined by the CoC
<b>Total Amount</b>	<b>INR 19,550 crores (Nineteen Thousand Five Hundred Fifty Crores Only)</b>
<b>Interest/ Coupon</b>	6.75% p.a. payable half-yearly
<b>Tenor</b>	10 years  Year 1-5: 5% p.a. repayable half-yearly (25%)  Year 6-10: 15% p.a. repayable half-yearly (75%)
<b>Prepayment</b>	The Corporate Debtor, at its sole discretion, reserves the right to prepay the outstanding amounts under the Debt Securities at any time after a period of 5 years from the date of issuance.
<b>Security</b>	<i>At the time of issuance:</i> first ranking pari passu charge with the existing lenders of the Successful Resolution Applicant by way of

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	<p>hypothecation over its receivables</p> <p><i>Post amalgamation:</i> the lenders of the resultant merged entity (i.e. the existing lenders of the Successful Resolution Applicant and the Financial Creditors of the Corporate Debtor) shall have a first ranking pari passu charge by way of hypothecation over its receivables.</p>
<b>Security cover</b>	<p>1x. At any time during the term of the Debt Securities, if the Corporate Debtor is (i) in compliance with the security cover requirements as at the most recent testing date, and (ii) not in default of its payment obligations, then the Corporate Debtor shall be permitted to enter into a single or a series of transactions to sell, transfer or otherwise dispose of or reorganise the loan portfolios of the Corporate Debtor, without requiring any prior consent of holders of the Debt Securities or any other Financial Creditors.</p>

Given below is a brief summary of the Resolution Plan's financial proposal along with indicative timelines:

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Priority	Category	Key payment terms	Indicative timelines
<b>First</b>	<b>CIRP Costs</b>	<ul style="list-style-type: none"> <li>CIRP costs to be paid in full from the Cash Balance of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>T+1</li> </ul>
<b>Second</b>	<b>Workmen and Employees Payment Amount</b>	<ul style="list-style-type: none"> <li>Workmen and Employees Payment Amount (INR 2,30,28,150) shall be paid in full, from the remaining Cash Balance of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>T+1</li> <li>To be paid the remaining Cash Balance of the Company within 90 days* from the approval of the Resolution Plan by the Hon'ble Adjudicating Authority's approval</li> </ul>
<b>Third</b>	<b>Operational Creditors Payment Amount</b>	<ul style="list-style-type: none"> <li>Such amount, which shall not be less than, the higher of: (a) the Liquidation Value to be paid to such creditors, or (b) the amount that would have been paid</li> </ul>	<ul style="list-style-type: none"> <li>T+1</li> <li>Operational Creditors Payment Amount shall be paid from the remaining Cash</li> </ul>

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		to such creditors, if the Total Resolution Amount had been distributed in accordance with the order of priority in sub-section (1) of Section 53 of the Code.	Balance of the Company within 90 days* from the Hon'ble Adjudicating Authority's approval
<b>Fourth</b>	<b>Dissenting Financial Creditors Payment Amount</b>	<ul style="list-style-type: none"> <li>The Liquidation Value due to Dissenting Financial Creditors will be discharged out of the Financial Creditors Payment Amount, in priority to any payments being made to the assenting Financial Creditors.</li> </ul>	<ul style="list-style-type: none"> <li>T+1</li> <li>The Dissenting Financial Creditors Payment Amount shall be paid (a) from the balance Upfront Cash Recovery, and/ or (b) by issuance of Debt Securities by the Successful Resolution Applicant, in such manner as may be determined by the CoC within 90 days* from the Hon'ble</li> </ul>

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			Adjudicating Authority's approval
<b>Fifth</b>	<b>Financial Creditors Payment Amount</b>	<ul style="list-style-type: none"> <li>The Financial Creditors who have voted in favour of the Resolution Plan shall be paid the Financial Creditors Payment Amount, (a) <i>Firstly</i>, from the balance Upfront Cash Recovery and (b) <i>Secondly</i>, the Successful Resolution Applicant shall issue the balance Debt Securities in such manner as may be determined by the CoC.</li> <li>In addition to the Total Resolution Amount, the Financial Creditors shall be entitled to (a) any amounts received pursuant to relevant orders of the Adjudicating Authority in</li> </ul>	<ul style="list-style-type: none"> <li>T+1</li> <li>The Financial Creditors Payment Amount shall be paid (a) from the balance Upfront Cash Recovery, and/ or (b) by issuance of Debt Securities by the Successful Resolution Applicant, in such manner as may be determined by the CoC within 90 days* from the Hon'ble Adjudicating Authority's approval</li> </ul>

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		terms of Sections 43, 45, 47, 49 and 50 the Code and (b) the cash available to CoC pursuant to clause 3.13.3(d) of the RFRP.**	
<b>Sixth</b>	<b>Other Creditors Payment Amount</b>	<ul style="list-style-type: none"> <li>The Liquidation Value due to such Other Creditors as distributed in accordance with the order of priority in sub-section (1) of Section 53 of the Code.</li> </ul>	<ul style="list-style-type: none"> <li>T+1</li> <li>To be discharged out of the Total Resolution Amount in such manner as may be determined by the CoC</li> </ul>
	<b>Capital Reduction (Shareholders)</b>	<ul style="list-style-type: none"> <li>The Corporate Debtor will, immediately upon completion of delisting of the Equity Shares, extinguish all the Equity Shares (and of any right to subscribe to, or be</li> </ul>	<ul style="list-style-type: none"> <li>T+4</li> </ul>

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		<p>allocated such Equity Shares, including any employee stock options, pre-emptive subscription rights or convertible instruments held by any person) held by the existing shareholders of the Corporate Debtor or any other person but other than the equity shares that are issued to the Successful Resolution Applicant, by way of a Capital Reduction without payment of any price to the shareholders/ such person.</p> <ul style="list-style-type: none"> <li>• In compliance with Applicable Law, the Successful Resolution Applicant shall provide an exit to existing shareholders at a price of</li> </ul>	
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		zero (i.e., such price which is not less than the Liquidation Value)	
	<b>Equity Infusion</b>	<ul style="list-style-type: none"> <li>The Successful Resolution Applicant shall infuse an amount of INR 1,00,00,000 (Rupees One Crore Only) in the Corporate Debtor, by way of subscription to Equity Shares of the Corporate Debtor at a price per share which shall be in compliance with the value ascribed under Section 56(2)(x) of the Income Tax Act.</li> </ul>	<ul style="list-style-type: none"> <li>T+2</li> </ul>

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		<ul style="list-style-type: none"> <li>The Successful Resolution Applicant will contribute INR 3,800 crore, as the equity to be infused into the retail business of the Corporate Debtor.</li> </ul>	<ul style="list-style-type: none"> <li>Capital Infusion within 12 (twelve) months</li> </ul>
	<b>Subordinated Debt</b>	<ul style="list-style-type: none"> <li>In addition to the equity share capital, if required for the retail business of the Corporate Debtor, Piramal Enterprises Limited (the holding company of the Successful Resolution Applicant) is committed to infuse INR 1,500 crores, as subordinated debt at the interest rate of 9% p.a.</li> </ul>	<ul style="list-style-type: none"> <li>Capital Infusion within 12 (twelve) months</li> </ul>

**\*\* Note:**

*Any delay due to litigation or non-fulfillment of conditions precedent to the implementation of the Resolution Plan to be excluded from the above timeline of 90 days. Hence, the 90 days' timeline to effectively start from the date when all conditions to implementation of the Resolution Plan (as identified hereinabove) are satisfied.*

- i. Under Section 2.13.2 of Part A of the Resolution Plan, the Successful Resolution Applicant has provided that it intends to pursue, on a best efforts basis, the application(s) filed by the Administrator before this Hon'ble Tribunal in respect of these Avoidance Transactions (as defined in the Resolution Plan). Any positive monetary recovery received by the Corporate Debtor as a result of orders passed in relation to the Avoidance Transactions shall be distributed, net of costs and expenses (including taxes), to the Financial Creditors pro rata to the extent the Financial Debt for Financial Creditors, provided that, the CoC may in its discretion adopt a different manner of distribution (which may take into account the order of priority amongst Financial Creditors as laid down in Section 53(1) of the Code) and such decision of the CoC shall be accepted by the Successful Resolution Applicant, subject to there being no change in the Total Resolution Amount;*
- ii. Under Section 2.13.3 of Part A of the Resolution Plan, the Successful Resolution Applicant ascribes value of INR 1 in respect of any transactions that may be avoided/ set aside by this Hon'ble Tribunal in terms of Section 66 of the Code. Accordingly, any positive recovery as a result of reversal of transactions avoided or set aside by this Hon'ble Tribunal in terms of Section 66 of the Code would accrue to*

*the sole benefit of the Successful Resolution Applicant. All the costs and expenses incurred or to be incurred towards litigation pertaining to Section 66 of the Code shall be to the account of the Successful Resolution Applicant.*

Detailed steps in relation to the implementation of the Resolution Plan are set out at Schedule II (*Implementation Schedule*) and Schedule IX (*Modification of Terms of the Financial Debt*) of the Resolution Plan.

## **RE-CONSTITUTION OF THE SHARE CAPITAL OF THE CORPORATE DEBTOR**

The share capital of the Corporate Debtor shall be re-constituted as follows:

- a. As per Step III of Schedule II of the Resolution Plan, after payment of the total resolution amount and assignment of debt (as contemplated under the Resolution Plan), the Successful Resolution Applicant shall infuse an amount of INR 1,00,00,000 in DHFL, by way of subscription to equity shares of DHFL. After infusion of equity (as described above and in accordance with Step III of Schedule II of the Resolution Plan), the Successful Resolution Applicant proposes to delist DHFL in compliance with the delisting guidelines of the BSE Limited / National Stock Exchange of India Limited and SEBI guidelines. After completion of delisting (as described above and in accordance with Step IV of Schedule II of the Resolution Plan), the issued equity share capital of DHFL

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held by any person other than the equity shares that are issued to the Successful Resolution Applicant (as described above and in accordance with Step III of Schedule II of the Resolution Plan) shall be entirely cancelled and extinguished. After completion of this capital reduction (as described above and in accordance with Step V of Schedule II of the Resolution Plan), the shareholding pattern of DHFL shall be as follows:

Sr. No.	Shareholder	Shareholding percentage
1.	Successful Resolution Applicant* <i>*along with nominee shareholders</i>	100%

- b. Upon completion of Step V of Schedule II of the Resolution Plan (as described above and in accordance with the provisions of the Resolution Plan), the Successful Resolution Applicant shall be merged into DHFL by way of an amalgamation by a scheme of arrangement. The scheme of arrangement is annexed as Schedule VIII to the Resolution Plan. Upon completion of the amalgamation, the shareholding pattern of the shareholders in DHFL is proposed to be as follows:

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S. No.	Shareholder	Shareholding %
1.	Piramal Enterprises Limited*  <i>*along with nominee shareholders</i>	100%

The amalgamation shall be completed after the Successful Resolution Applicant has obtained relevant regulatory and statutory approvals (including consent from its members and creditors as required under Companies Act, 2013).

### CONDITIONS TO THE IMPLEMENTATION OF THE RESOLUTION PLAN

Section 9 of the Resolution Plan sets out the following conditions that needs to be satisfied prior to implementation of the Resolution Plan:

S. No.	Nature of Approval	Relevant Authority	Timelines estimated
8.	No objection to the Successful Resolution Applicant being in control of the management of the Corporate Debtor after the implementation of the	Reserve Bank of India	—

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	<p>Resolution Plan.</p> <p><b>Approval from the Reserve Bank of India received on February 16, 2021, annexed hereto at Annexure 21</b></p>		
9.	Approval of the Resolution Plan	Adjudicating Authority	
10.	<p>(d) Acquisition of the Corporate Debtor*; and</p> <p>(e) merger of Successful Resolution Applicant into the Corporate Debtor and consequential change in the shareholding*;</p> <p>(f) a waiver in relation to the requirement of (i) issuing a public notice of such</p>	Reserve Bank of India	2 - 3 months

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	acquisition 30 days prior to its completion*, and (ii) intimating the NHB of the change in board of directors of the Corporate Debtor within 30 days of such change		
11.	<p>(c) Approval for the assignment of external commercial borrowings of the Corporate Debtor and masala bonds issued by the Corporate Debtor to the Successful Resolution Applicant in accordance with Step II of Schedule II (Implementation Schedule).</p> <p>(d) In the event, and to the extent, that the approval of the RBI has not been granted under paragraph 4(a) above,</p>	Reserve Bank of India	2 - 3 months



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	then the Corporate Debtor shall obtain the approval for conversion of such part of the external commercial borrowings of the Corporate Debtor and masala bonds issued by the Corporate Debtor which have not been repaid from the balance Upfront Cash Recovery in accordance with Step II of Schedule II (Implementation Schedule), into equity of the Corporate Debtor		
12.	Delisting of the non-convertible debentures issued by the Corporate Debtor	Relevant stock exchange	2 - 3 months
13.	Acquisition of control of the Corporate Debtor and	Competition Commission of	1 - 2 months

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	amalgamation of the Successful Resolution Applicant with the Corporate Debtor	India (“CCI”)	Application submitted to CCI on February 19, 2021
14.	Such other regulatory approvals as may be directed by the Hon’ble Adjudicating Authority, in relation to the amalgamation of the Successful Resolution Applicant with the Corporate Debtor in accordance with Schedule II ( <i>Implementation Schedule</i> )	Adjudicating Authority	

**Note :-** That the RBI in its ‘no objection’ letter dated February 16, 2021 has provided its ‘no objection’ to the acquisition of the Corporate Debtor and merger of the Successful Resolution Applicant into the Corporate Debtor (subject to the conditions contained therein), and dispensed with the requirement of issuing a public notice of such acquisition 30 days prior to its completion.

Since the implementation of the Resolution Plan is subject to certain conditions being fulfilled to the Successful Resolution Applicant, the timeline of 90 (ninety) days from the NCLT Approval Date (as defined in the Resolution Plan) provided in relation to payment of any cash recovery to the creditors of the Corporate Debtor shall be extended by such number of days which are equal to those required to fulfil such conditions.

### **SUPERVISION OF THE RESOLUTION PLAN DURING THE INTERIM PERIOD**

During the period between the NCLT Approval Date and the Implementation Date, the management and control of the Corporate Debtor shall vest with the Monitoring Committee, which shall comprise of:

- a. 3 (Three) representatives nominated by the CoC,
- b. 2 (Two) representatives nominated by the Successful Resolution Applicant; and
- c. the Administrator, provided that if the Administrator has not provided his consent in this regard, then an insolvency professional or an industry expert as nominated by the Successful Resolution Applicant in consultation with the CoC and EY (“**Expert Member**”).
- d. **In addition to the above this Adjudicating Authority feel appropriate to appoint an Observer Cum Permanent**

**Invitee in the Monitoring Committee to ensure smooth functioning and change over to the Successful Resolution Applicant accordingly Mr. Ashok Kakkar, (Retd.) Chief Commissioner of Income Tax, Former Executive Director of SEBI is appointed by the Adjudicating Authority and he shall be suitably paid fee for his professional services and other fringe benefits be extended to him. (Mob. 98200 36838)**

- e. (“**Monitoring Committee**”) shall be appointed (until the Implementation Date) to *inter-alia* supervise the implementation of the Resolution Plan.

As per the Resolution Plan, the costs and expenses which may be incurred by the Monitoring Committee in discharging their duties as set out above till the Implementation Date shall be funded from the cash flows of the Corporate Debtor. Further as per Section 2.15 of Part A of the Resolution Plan, a sum of INR 30 Crores will be made available exclusively for legal expenses incurred by, *inter alia*, the Applicant arising out of/ in connection with the CIRP of the Corporate Debtor.

#### **TREATMENT OF DISSENTING FINANCIAL CREDITORS**

- a. Under Section 2.5.5 of Part A of the Resolution Plan, the Successful Resolution Applicant has acknowledged the discretion of the CoC in determining the distribution of the Financial Creditors Payment Amount. In accordance with Section 30(4) of

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the Code, the CoC at its eighteenth meeting on December 24, 2020 (which continued after recess on December 25, 2020), considered the manner of distribution of the resolution amount, and passed a resolution with 86.95% majority approving the mechanism for distribution of resolution proceeds. The excerpt of the resolution passed by the CoC approving the distribution mechanism (titled 'Voting Item #1') is annexed to the present application as Annexure 23. Amongst other things, the CoC resolution provided that financial creditors who do not vote in favour of the Resolution Plan shall be paid an amount which is equivalent to the amount to be paid to such creditors in accordance with sub-section (1) of Section 53 of the Code in the event of the liquidation of a Corporate Debtor. Following are the financial creditors who did not vote in favour of the Resolution Plan and were therefore classified as dissenting financial creditors:

S. No.	CoC Member Name	Voting Result	Percentage
1.	ICICI Bank	Abstain	0.0014 %
2.	Fixed Deposit Holders	No	6.18 %
3.	Catalyst Trusteeship Limited (Unsecured Series	No	0.12 %

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	- VIII)		
4.	IDBI Trusteeship Limited (Debenture Trust Deed dated October 24, 2008)	Abstain	0.02 %
5.	Taiwan Business Park, Offshore Banking Branch	Abstain	0.03 %
6.	IBM India Pvt. Ltd.	Abstain	0.0005 %

- b. The dissenting financial creditors, as per the resolution passed by the CoC, are legally entitled to receive the liquidation value due to them. The Fixed Deposit Holders of the Corporate Debtor are secured as per a floating charge created over the assets invested in terms of section 29B of the National Housing Bank Act, 1987 (“NHB Act”), NHB Notification No.NHB.HFC.LA-2/MD&CEO/2019 dated May 25, 2019 (“NHB Notification”) read with Para 12 of the Master Circular- Miscellaneous Instructions to all Housing Finance Companies dated July 1, 2019 (“Master Circular”) and Circular NHB (ND)/DRS/Pol-No.21/2006 dated April 13, 2007. The liquidation value due to the Fixed Deposit Holders and other dissenting financial creditors calculated on the basis of the liquidation values obtained by the Administrator through the registered valuers duly

appointed is set out in Form H annexed to the present application at Annexure 12.

- c. **Dissenting Financial Creditors should be paid upfront cash and not debt securities prior to making any payment to other Financial Creditors as per the judgment of Hon'ble Supreme Court in *Jaypee Kensington Boulevard Apartments Welfare Association & Ors. Vs. NBCC (India) Ltd. Ors. ( Civil Appeal No. 3395 of 2020)***

**OBSERVATIONS OF THE ADJUDICATING AUTHORITY**

- I. We have heard the Applicant and perused the Resolution Plan and related documents submitted along with Application. There are other IA's filed either by the Fixed Deposit holders, Financial or Operational Creditors or by other stakeholders post admission stage which may have an impact on approval of the Resolution Plan are described as below :-

Sr. No.	Case No.	Name of the Parties	Reliefs sought
1.	IA No. 625/2021	Raghu K. S and 38 Ors V/s Deewan Housing Finance Corporation Limited IN THE MATTER OF Reserve Bank of India	<b>i. Declare that the</b> Resolution Plan as approved by the CoC is illegal and violative of the provisions of the Code and Regulations framed thereunder; <b>ii. quash and set aside the</b> Resolution Plan as approved by

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		<p style="text-align: center;">V/s Dewan Housing Finance Corporation Limited</p>	<p>the CoC and the Resolution of CoC.</p> <p>iii. Strictly, in the alternative, modify the Resolution Plan to direct that the Applicants be refunded their Fixed Deposit along with interest in terms of the provisions of NHB Act as per the particulars of claims Exhibit A herein;</p> <p>iv To order and declare that any terms in the resolution plan extending the recoveries made under applications filed in section 43 to 51 under section 66 of the code or any one or more of these provisions including appeal proceedings arising therefrom and recoveries contributions made consequent thereto shall in any manner whatsoever be for the benefit of the Resolution Applicant including its nominee, assignee, or any person</p>
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			<p>claiming through or under it is contrary to law, void-ab-initio and non-est in law;</p> <p>v To order and declare that any recoveries contribution made it over the benefit of any order passed in the avoidance application filed by the respondent under section 43 to 51 or under section 66 of the code or any one or more of these provisions including appeal proceedings arising therefrom shall be for the sole benefit of the creditors of DHFL, including the Fixed Deposit Holders;</p>
2.	IA No. 623/2021	<p>63 Moons Technologies Limited V/s The Administrator Dewan Housing Finance Corporation Ltd. &amp; Ors IN THE MATTER OF Reserve Bank of India</p>	<p>a. To dismiss the Interlocutory Application no. 449 of 2021 filed by the Respondent No. 1 and reject the Resolution Plan of Respondent No. 2.</p> <p>b. In the alternative, to approve Respondent No. 2' resolution plan including any modification</p>

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		V/s Dewan Housing Finance Corporation Limited	i. Order and declare that any term in Respondent No. 2's resolution plan including any modification thereto either expressly or impliedly providing that the benefit of any orders passed in the avoidance application filed or to be filed by Respondent No. 1 under sections 43 to 51 or under section 66 of the Code or any one or more of these provisions, including appeal proceedings arising therefrom, and the recoveries/contributions made consequent thereto shall in any manner whatsoever be for the benefit of Respondent No.2 including its nominee/ assignee/ any person claiming through or under it, and not for the benefit of the creditors of DHFL, is contrary to law, void ab initio, non-est, and bad in law
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			<p><b>ii</b> Declare, order and direct that any recoveries/ contributions made or the benefit of any orders passed in the avoidance applications filed or to be filed by Respondent No. 1 under sections 43 to 51 or under section 66 of the Code or any one or more of these provisions, including appeal proceedings arising therefrom, shall be for the sole benefit of the creditors of DHFL</p> <p>c In the event this Hon'ble Tribunal is inclined to approve the resolution plan of Respondent No.2 with the modification that the recoveries/ contributions made or the benefit of any orders passed in the avoidance applications filed or to be filed by Respondent No. 1 under sections 43 to 51 or under section 66 of the Code or any one or more of these</p>
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			provisions, including appeal proceedings arising therefrom, shall be for the sole benefit of the creditors of DHFL, in that event, to declare, order and direct that the avoidance applications filed Respondent No. 1 shall not abate and shall be continued even after the approval of Respondent No. 2's resolution plan and be further pleased to permit Respondent No. 1 or any other nominee(s) appointed by the CoC to pursue these avoidance applications and all proceedings arising from the orders passed therein.
3.	IA No. 903/2020	Vinay Kumar Mittal - Applicant IN THE MATTER OF Reserve Bank of India V/s Dewan Housing Finance Corporation Limited	1. Restrain the Respondent and its Committee of Creditors from granting any loan or other credit facility by whatever name called or make any investment or create any other asset as long as the default in repaying the matured

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			<p>deposit holders continues;</p> <p>2. Direct the Respondent and its Committee of Creditors to repay matured deposits to the applicants, and continue paying the maturing deposits to the applicants and also ensure that interest on the fixed deposits is continued to be paid to the applicants on their fixed deposits.</p> <p>3. During the pendency of the application restrain the Respondent and its Committee of Creditors from granting any loan or other credit facility by whatever name called or make any investment or create any other asset as long as the default in repaying the matured deposit holders continues;</p> <p>4. During the pendency of the application, direct the Respondent and its Committee of Creditors to repay matured deposits to the applicants, and continue paying the maturing deposits to the applicants and also ensure that interest on the fixed deposits is Continued to be paid to the applicants on their fixed deposits.</p> <p>e) Direct the Respondent and its Committee of Creditors to make pre-mature repayments the applicants in case of death/ critical illness of the applicant/ deposit-holder.</p>
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4.	IA No. 1847/2020	Vinay Kumar Mittal - Applicant IN THE MATTER OF: Reserve Bank of India V/s  Dewan Housing Finance Corporation Limited.	<b>Same reliefs as of IA 903 of 2020</b>
5.	IA No. 1993/2020	Vinay Kumar Mittal -- Applicant IN THE MATTER OF: Reserve Bank of India V/s Dewan Housing Finance Corporation Limited.	<b>Same reliefs as of IA 903 of 2020</b>
6.	IA No. 25/2021	ARMY Group Insurance Fund V/s Dewan Housing Finance Corporation	a) To permit the Applicant to intervene in CP (IB) No. 4258 of 2019 (MB)  b) To pass an order

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		Ltd. IN THE MATTER OF: Reserve Bank of India V/s Dewan Housing Finance Corporation Ltd	directing that all dues of the Applicant be paid out in priority to all other persons/ creditors;
7.	IA No. 415/2020	Uttar Pradesh State Power Sector Employees Trust - Applicant IN THE MATTER OF Reserve Bank of India V/s Dewan Housing Finance Corporation Limited	Direct the Financial Service Provider to release the amounts due to the Applicant i.e. amounts due on matured Fixed Deposits both principal and interest details whereof are provided in Annexure 6; b) Direct the Financial Service Provider to continue to make payments to the Applicant as and when interest amounts become payable and the remaining fixed deposits mature details whereof are provided in Annexure 10;
8.	IA No. 416/2020	Board of Trustees of Uttar Pradesh Power Corporation Contribut ory Provident Fund Trust - Applicant	<b>Same reliefs as in IA 415 of 2020</b>

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		<p style="text-align: center;">IN THE MATTER OF Reserve Bank of India V/s Dewan Housing Finance Corporation Limited</p>	
9.	IA No. 701/2021	<p style="text-align: center;">Kapil Wadhawan V/s Administ rator of Dewan Housing Finance Corporation Limited</p> <p style="text-align: center;">IN THE MATTER OF Reserve Bank of India V/s Dewan Housing Finance Corporation Limited</p>	<p>Direct the Respondent to provide the Applicant with copies of the captioned Interlocutory Application no. 449 of 2021 alongwith its enclosures including the said Resolution Plan;</p> <p>During the pendency of the present Application, not pass any further and/or final orders in the captioned Interlocutory Application no. 449 of 2021</p>
10.	IA No. 1104/2020	<p style="text-align: center;">National Housing Bank - Applicant</p> <p style="text-align: center;">IN THE MATTER OF</p>	<p>That this Hon'ble Tribunal be pleased to declare that under sub-section (1) of Section 16B of the National Housing</p>



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		Reserve Bank of India V/s Dewan Housing Finance Corporation Limited	Bank Act, 1987, any sums received by Dewan Housing Finance Limited in repayment or or realization of loans refinanced by the Applicant and remaining outstanding shall be deemed to be received by Dewan Housing Finance Limited <i>in trust for and on behalf</i> of the Applicant and all the amounts so received and/or to be received by Dewan Housing Finance Limited under any purported documents such as assignment agreements and/or under regular repayment/pre-payments are to be held in trust by DHFL for the benefit of the applicant.
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- II. The above referred IA's are being duly considered while considering the approval of the Resolution Plan. Some of the above IAs are being disposed of vide order recorded separately. Hence there can be no impediment / Rider for this Adjudication Authority to proceed further to consider the approval of present IA 449 of 2021 (in CP No. 4258 of 2019)

which seems to be Law compliant and meet the requirements and fulfil the eligibility criteria prescribed under section 30 & 31 of the I&B Code read with relevant regulations for approval of Resolution Plan. Moreover, the CoC of the Corporate Debtor have consciously deliberated upon on feasibility and Commercial viability of the Resolution Plan and has approved the same by applying its Commercial Wisdom. Hence this Adjudicating Authority is not expected to substitute its view on findings reach at/ or conclusion of the CoC. That apart the Ld. Senior counsels confirmed that out of total consideration of Rs. 37,250 Crores, an amount of Rs 14,700 Crores is upfront payment, cash recovery out of which Rs 4002 Crores is brought in by the Successful Resolution Applicant and balance Rs. 10,968 Crores is cash balance available with the Corporate Debtor as on 31.04.2021. Rs 19,550 Crores is debt securities (NCD) issued to CoC members with coupon rate of 6.75% P.A payable half yearly and redemption for the first 5 years is at 5% aggregating to 25% and balance is redeemed every year at 15% amounting to balance 75%. CoC has agreed for the continuous and accelerated payment method. Ld Senior Counsels also clarified that the Successful Resolution Applicant has a cash balance of Approx. Rs 5400 Crores as per its Balance Sheet as on 31.03.2021, further obtained a support letter from Barclays Bank dated 16.10.2020 for an amount of Rs 4500 cores. They have also submitted that commitment letter is received from Standard Chartered Bank for an amount of Rs.9000 Crores

and Rs 1500 Crores from Sponsor therefore, Source of Funds is tied up and **CoC consisting of 77 members have analyzed the same and approved the Plan.**

- III. As far as the claims of avoidance transactions, CoC has consciously decided that the money realised through these avoidance transactions would accrue to the members of the CoC at the same time they have also consciously decided after deliberations that the monies realised if any under Section 66 of IBC i.e Fraudulent Transactions, they have ascribed the value of Rs.1 and if any positive money recovery the would go to the Resolution Applicant/future Corporate Debtor. CoC is comprised of 77 Financial Creditors and after constant deliberations they have protected their interest and ascribed the value based on their Commercial Wisdom and Adjudicating Authority has limited jurisdiction to interfere with the same. During the course of various hearings Learned Senior Counsels appearing for the Administrator, CoC, Successful Resolution Applicant submitted that after hard bargain, various rounds of negotiations the plan amount was increased substantially by the Successful Resolution applicant to finally Rs. 37,250 Crores. They also submitted that 63 Moons Technologies Limited, also voted in favour of the plan and it cannot agitate the same when 94.5% of CoC members approved the plan. The COC by exercising its Commercial Wisdom have accepted, approved the resolution plan including the monies to be recovered if any from the

Fraudulent Transactions. Therefore, we as Adjudicating Authority reluctant to substitute our wisdom at this stage as against their Commercial Wisdom of the CoC. Further by following the judicial precedents, discipline and various Judgements of the Hon'ble Supreme Court we restrain ourselves from interfering with the decision of the CoC. Counsels appearing from the side of the applicant in another IA filed by 63 moons Technologies Limited and others argued that the matter be sent back to CoC for its reconsideration. However Senior Counsel appearing for the CoC vehemently argued that there is no case for sending back to CoC as they have already exercised their Commercial Wisdom.

- IV. Based on the submissions, the Adjudicating Authority is of the confirmed view that CoC has already taken a conscious decision after analysing various facts and considerations including Net Present Value concept (NPV), and ascribed an amount of Rs.1 for this Section 66 Fraudulent Transactions therefore we restrain from making any comments and sending it back to CoC as pleaded by the applicant in IA 623 of 2021.
- V. With regard to the claims of more than 70,000 Fixed Deposit Holders, Lakhs of Employees of UP State Power Sector Employees Trust, Board of Trustees of UP Power Corporation Contributory Provident Fund Trust, investment by Capgemini Business Services India Ltd, Employees Provident Fund Trust, other claimants falling in the similar category, We have

heard the arguments from both the sides at length and we are of the considered view that considering the number of small investors running into lakhs, senior citizens, who had deposited their hard earned savings, have to meet various expenses especially in this Covid 19 Pandemic situation, loss of jobs to number of depositors, to meet other essential needs the employees of the PF Trust which is the money they would get at the time of , after superannuation. Therefore, we are of the considered view that they should get a fair, increased share money out of the Resolution Plan. Since FSP is a different nature of company than a normal Corporate Debtor, where in thousands, Lakhs of Small Investors invest their funds for a reasonable interest income to take care of their needs. Its generally considered that investment in Fixed Deposit, NCDs are low risk investment than investing in Equity Shares therefore these small investors should not be put to more risk, take more hair cut than the stronger financial institutions viz Banks, Financial Institutions and accordingly for this limited purpose we direct the COC to reconsider their distribution method, distribution amongst various members of CoC within two weeks from today and report the same to this Adjudicating Authority.

- VI. With regard to the decision on distribution to this public depositors, Fixed Deposit holders, subscribers to NCDs we also suggest, request the COC to reconsider their grievances, plights and they did not oppose the resolution plan and their

request is only to enhance the percentage of payment made in the plan and the same should be increased to the level of Secured Financial Creditors i.e. approximately 40% the Financial Creditors would be getting in this plan. We further make it clear that there is no additional monetary obligation for the Successful Resolution Applicant to pay anything more than what it has committed in the Resolution Plan i.e an amount of Rs. 37,250 Crores. It is only an inter se distribution of resolution money amongst various creditors. Therefore, with regard to the manner of distribution, the method of distribution between various creditors viz Public Depositors, Fixed Deposit Holders, NCD Holders, Small Investors, Employees Provident Fund Trust, Army Group Insurance Fund etc we request, suggest the CoC to reconsider the same so that lakhs of small investors would be benefited.

- VII. Further **ARMY Group, did not challenge, oppose the plan, only seeking a sympathetic view of CoC, Resolution Applicant thereby thousands of families, widows, children can be saved. Their investment can be treated as a separate class, subclass of creditors. Hon'ble NCLAT vide order dated 19.09.2020 already treated it as a separate class.** Therefore, we suggest that since the total resolution plan amount is Rs. 37,250 Crores the admitted claim of the Army Group Insurance Fund is only Rs.39 Crores which is 0.0001% of the total plan amount therefore we suggest the CoC to reconsider and pay the full admitted claim amount of Rs.39

Crores considering the nature of duties performed by them who are protecting the Nation, sacrificing their lives, difficult working conditions and human service to keep peace of the country it would be appropriate for the members of the CoC to reconsider and to repay their entire admitted claim without any hair cut thereby expressing our deep concern, gratitude and respect to the Army Personnel. Further Ld. Counsel appearing for the Army Group submitted that no insurance Company is extending insurance to Army personnel so it's a scheme devised by them with the approval of the Govt., Ministry of Defence and their deduction is made from their monthly salary and applicable to all the rank of employees i.e from bottom to top.

- VIII. While directing and observing so, we find support from the decision of NCLT Ahmedabad Bench in the matter of *Standard Chartered Bank and State Bank of India V/s Essar Steel Limited* which has been confirmed by the Hon'ble Supreme Court of India wherein the Adjudicating Authority has directed to the CoC to consider the distribution mechanism for giving more apportionment Amount to the Operational Creditors and unsecured Financial creditors. This was duly considered by the CoC and was pleased to grant Rs. 1,000 Crore (One Thousand Crore) ex gratia to Operational Creditors and unsecured Financial creditors without any prejudice to their rights and contentions and such distribution/ apportionment of amount has been further confirmed by the Hon'ble Supreme Court of India in the

matter of CoC of *Essar Steel India Limited V/s Satish Kumar Gupta*.

- IX. It is evident that the Resolution Plan has been approved by the CoC and it is found law Complaint. Approval or otherwise of plan has been discussed in the light of CoC decision with more than requisite majority and the plan is Law compliant and it meets the requirements of eligibility criteria under Section 30 & 31 of the IB Code. Moreover as per the settled legal position this Adjudicating Authority is having supervisory Jurisdiction over the CoC and it cannot sit in appeal over the Commercial Wisdom exercised by the CoC while approving the Resolution Plan with 94.5% voting. Therefore this Adjudicating Authority is duty bound and legally expected to approve the Resolution Plan unless it is not Law complaint or does not meet the requirement of the IBC specifically section 30 & 31 of the code read with Rules and relevant IBBI Regulation made there under. While observing so, we place reliance on the decision of Hon'ble Supreme Court in the matter of **Swiss Ribbon Pvt. Ltd. V/s Union Of India, Sashidhar V/s Indian Overseas Bank, CoC of Essar Steel India Ltd V/s Satish Kumar Gupta and others., Jaypee Kensington Boulevard Apartments Welfare Association & Ors. V/s NBCC (India) Ltd. & Ors., Ghanshyam Mishra and Sons Private Limited V/s Edelweiss Asset Reconstruction Company Limited Ors.**



and Hon'ble NCLAT decision in the matter of Interrups  
V/s JSW Steel.

- X. In the matter of ***CoC of Essar Steel*** (Civil Appeal No. 8766-67 of 2019 decided on 15.11.2019) has ruled that the Adjudicating Authority has been vested no Appellate Jurisdiction over the decision of the CoC while approving the resolution plan but it has been conferred a supervisory role to make scrutiny of a Resolution Plan whether it meets the criteria for approval of the resolution plan further the law is compliant and is not hit by Section 29A or any other provisions of the I&B Code.
- XI. The Hon'ble Supreme Court in the matter of ***Swiss Ribbons v/s UOI (Writ Petition Civil No. 99 of 2018)*** Court has pleased to held that this Adjudicating Authority is having supervisory Jurisdiction over the Resolution Professional and CoC it can remand back the the matter for consideration of its suggestion and meet the requirements of the law/IBC.
- XII. In the matter of ***Jaypee Kensington Boulevard Apartments Welfare Association & Ors. Vs. NBCC (India) Ltd. Ors. ( Civil Appeal No. 3395 of 2020)*** Hon'ble Apex Court has held that the Adjudicating Authority cannot modify the approved resolution plan but it can remand back the plan to consider the issue referred to suggestions given by it. Therefore while approving the resolution plan our observation, suggestion are stated as under :-

*78. “To put in a nutshell, the Adjudicating Authority has limited jurisdiction in the matter of approval of a resolution plan, which is well-defined and circumscribed by Sections 30(2) and 31 of the Code read with the parameters delineated by this Court in the decisions above referred. The Jurisdiction of the Appellate Authority is also circumscribed by the limited grounds of appeal provided in Section 61 of the Code. In the adjudicatory process concerning a resolution plan under IBC, there is no scope for interference with the commercial aspects of the decision of the CoC; and there is no scope for substituting any commercial term of the resolution plan approved by the CoC. Within its limited jurisdiction, if the Adjudicating Authority or the Appellate Authority, as the case may be, would find any shortcoming in the resolution plan vis-à-vis the specified parameters, it would only send the resolution plan back to the Committee of creditors, for re-submission after satisfying the parameters delineated by Code and expounded by this Court.”*

XIII. In ***K Sashidhar v. Indian Overseas Bank & Others*** (in Civil Appeal No.10673/2018 decided on 05.02.2019) the Hon’ble Apex Court held that if the CoC had approved the Resolution Plan by requisite percent of voting share, then as per section 30(6) of the Code, it is imperative for the Resolution Professional to submit the same to the Adjudicating Authority (NCLT). On receipt of such a proposal, the Adjudicating Authority is required to satisfy itself that the Resolution Plan as approved by CoC meets the requirements

specified in Section 30(2). The Hon'ble Court observed that the role of the NCLT is 'no more and no less'. The Hon'ble Court further held that the discretion of the Adjudicating Authority is circumscribed by Section 31 and is limited to scrutiny of the Resolution Plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the Adjudicating Authority can reject the Resolution Plan is in reference to matters specified in Section 30(2) when the Resolution Plan does not conform to the stated requirements.

- XIV. In *CoC of Essar Steel* (Civil Appeal No. 8766-67 of 2019 decided on 15.11.2019) the Hon'ble Apex Court clearly laid down that the Adjudicating Authority would have no jurisdiction of Statutory Appellate Authority but have supervisory role/ jurisdiction. It cannot substitute its view over the Commercial Wisdom of the CoC. In Paragraph 42 of the aforesaid Judgment, Hon'ble Supreme Court was pleased to observe as such :-

*"42. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of*

*insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the Corporate Debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30 (4) of the I&B Code.*

- XV. For the aforesaid reasons and in the light of above stated judicial precedents it is held the Present Resolution Plan meets the requirements of Section 30(2) of the Code and Regulations 37,38,38 (1A) and 39 (4) of the Regulations.

The Resolution Plan does not contravene the provisions of Section 29A of the Code and is in accordance with law.

**Hence the plan deserves to be approved. Hence Ordered.**

**ORDER**

**The Application IA No. 449 of 2021 in CP 4258 of 2019 be and the same is allowed.** The Resolution Plan annexed to the Application is hereby approved. It shall become effective from this date and shall form part of this order.

- (i) It shall be binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan.
- (ii) The approval of the Resolution Plan shall not be construed as waiver of any statutory obligations/liabilities of the Corporate Debtor and shall be dealt by the appropriate Authorities in accordance with law. Any waiver sought in the Resolution Plan, shall be subject to approval by the Authorities concerned in the light of the decision of Hon'ble Supreme Court in the matter of Ghanshyam Mishra and sons vs. Edelweiss Asset Reconstruction Company Limited.

**a. As prayed by the Resolution Applicant, since approx. 80% of workforce is from the sister concern of DHFL**

**namely DHFL Sale and Services Ltd (DSSL), we direct DSSL to continue to provide manpower services to the Corporate Debtor as per the existing terms and conditions atleast for a year or till the expiry of the contract period which ever is later and notice period for termination should be atleast 6 months by either side.**

- b. It is also to be noted that while granting NoC by RBI, the status of the Corporate Debtor is changed from Deposit taking Housing Finance Company to Non Deposit taking Housing Finance Company.**
- c. Reverse merger of the Successful Resolution Applicant Piramal Capital & Housing Finance Limited into and with DHFL, the Corporate Debtor is prima facie approved by this Adjudicating Authority.**

(iii) The Memorandum of Association (MoA) and Articles of Association (AoA) shall accordingly be amended and filed with the Registrar of Companies (RoC), Mumbai, Maharashtra for information and record. The Resolution Applicant, for effective implementation of the Plan, shall obtain all necessary approvals, under any law for the time being in force, within such period as may be prescribed.

(iv) The moratorium under Section 14 of the Code shall cease to have effect from this date.

(v) The Applicant shall supervise the implementation of the Resolution Plan and file status of its implementation before this Authority from time to time, preferably every quarter.

IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT II

I.A. NO. 449/MB/C-II/2021

In

C.P. (IB) No. 4258/MB/C-II/2019

- (vi) The Applicant shall forward all records relating to the conduct of the CIRP and the Resolution Plan to the IBBI along with copy of this Order for information.
- (vii) The Applicant shall forthwith send a certified copy of this Order to the CoC and the Resolution Applicant, respectively for necessary compliance.
- (viii) Before We part with this matter we record our sincere appreciation and thanks to the Learned Solicitor General of India Mr. Tushar Mehta, Learned Former Attorney General of India Mr. Mukul Rohatgi, Ld. Senior Counsels Mr Ravi Kadam, Mr Gaurav Joshi, Mr Janak Dwarkadas, Mr JP Sen, Dr Abhishek Manu Singhvi, Mr Mustafa Doctor, Mr. Navroz Seervai, Mr. Sudipto Sarkar, Mr. JJ Bhatt, Mr. Pradeep Sanchetti and other assisting counsels Mr Rohan Rajadhayaksha, Mr. Asish Kamat, Mr. Ashish Virmani, Mr. Shyam Kapadia, Mr. Behramkamdin and others who had helped us in dealing with the first resolution plan of the Financial Services Provider.

Sd/-

**RAVIKUMARDUR AISAMY**  
**MEMBER (TECHNICAL)**

07.06.2021

Aakash/Jagdish

Sd/-

**H. P. CHATURVEDI**  
**MEMBER (JUDICIAL)**