

INTERIM FINANCING FOR SHREE GANESH JEWELLERY HOUSE (I) LIMITED- IN LIQUIDATION

BACKGROUND:

SHREE GANESH JEWELLERY HOUSE (I) LIMITED-*In Liquidation* (The Corporate Debtor) is presently under going liquidation vide Order no. C.A. (I.B.). No.839/KB/2018 connected with C.P. (I.B) No. 579/KB/2017 dated September 14, 2018 passed by the Honorable National Company Law Tribunal, Kolkata Bench. The Liquidator proposes to raise Short Term Interim Financing to the tune of INR 1,00,00,000/- (Rupees One Crore Only) to conduct Liquidation process of the Corporate Debtor.

AUTHORITY FOR RAISING INTERIM FINANCE:

Pursuant to the Liquidation Order of the Corporate Debtor, Liquidator seeks to raise an Interim Finance in order to conduct the Liquidation process of the Corporate Debtor.

CASHFLOW PRIORITY OF INTERIM FINANCING:

As per Regulation 2(ea) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, Liquidation Costs includes interest on Interim Finance for a period of twelve months or for the period from the liquidation commencement date till repayment of interim finance, whichever is lower. Pursuant to Section 53(1) of the Code, notwithstanding anything to the contrary contained in any law enacted by the Parliament or any State Legislature for the time being in force, the proceeds from the sale of the liquidation assets shall be distributed in the following order of priority and within such period and in such manner as may be specified, namely:

- (a) the insolvency resolution process costs and the liquidation costs paid in full;
- (b) the following debts which shall rank equally between and among the following:
 - (i) workmen's dues for the period of twenty-four months preceding the liquidation commencement date; and
 - (ii) debts owed to a secured creditor in the event such secured creditor has relinquished security in the manner set out in section 52;
- (c) wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date;
- (d) financial debts owed to unsecured creditors;
- (e) the following dues shall rank equally between and among the following: -
 - (i) any amount due to the Central Government and the State Government including the amount to be received on account of the Consolidated Fund of India and the Consolidated Fund of a State, if any, in respect of the whole or any part of the period of two years preceding the liquidation commencement date;
 - (ii) debts owed to a secured creditor for any amount unpaid following the enforcement of security interest;
- (f) any remaining debts and dues;
- (g) preference shareholders, if any; and
- (h) equity shareholders or partners, as the case may be.

MANNER OF RAISING INTERIM FINANCING:

Expression of Interest (EOI) from interested parties is invited by the Liquidator of the Corporate Debtor.

EXPRESSION OF INTEREST SUBMISSION:

1. The EOI shall contain the following:
 - a. The amount of Interim Finance which the interest applicant is willing to provide;
 - b. The Rate of Interest at which such Interim Finance shall be granted; and
 - c. Any other terms, which may be pertinent for grant of loan.
2. The EOIs must be submitted in soft format, through email, with subject "*EOI for Interim Finance to Shree Ganesh Jewellery House (I) Limited - in liquidation*", addressing to: The Liquidator at the email id- ip.sgjhl@gmail.com.
3. The EOIs must be submitted on or before 10.10.2018

INDICATIVE TERMS:

The following are the indicative terms with respect to the Interim Finance ("**Loan**") to be raised by the Liquidator:

SL. NO.	PARTICULARS	DETAILS
1.	Lender	The Lender shall be selected based on the most competitive rate of interest quoted by the applicant
2.	Borrower	Shree Ganesh Jewellery House (I) Limited -In Liquidation
3.	Purpose	The Loan shall be utilized by the Borrower to meet the expenses to conduct the liquidation process of the Corporate Debtor.
4.	Loan Limit	INR 1,00,00,000/- (Rupees One Crore Only)
5.	Security	The Loan shall be unsecured.
6.	Tenure	For a period of twelve months or for the period from the liquidation commencement date till repayment of Interim Finance, whichever is lower
7.	Rate of Interest	Not exceeding 12% p.a. (Twelve percent per annum)
8.	Drawdown	Single tranche of INR 1,00,00,000/- (Rupees One Crore Only).
9.	Payment of Interest	The interest on the drawn amount shall fall due at the end of the Tenure.
10.	Loan Repayment	The Loan along with the interest amount shall form part of Liquidation costs. As per the Code, Interim Finance has been given super-priority status and the repayment of the said loan and the interest amount shall have first priority when the Borrower is liquidated.
11.	Documentation	The parties shall Execute a Loan Agreement under the referred arrangement.

Disclaimer: All liability to pay interest/repay the Loan shall be on the Company. The Liquidator personally has no liability whatsoever in this regard.