

INTERIM FINANCING FOR DIMENSION STEEL & ALLOYS PRIVATE LIMITED

BACKGROUND:

DIMENSION STEEL & ALLOYS PRIVATE LIMITED (The Corporate Debtor) is presently under going Corporate Insolvency Resolution Process vide Order no: CP(IB)No. 832/KB/2018 dated October 18,2019 passed by the Honorable National Company Law Tribunal, Kolkata Bench. The Resolution Professional proposes to raise short term Interim financing for an amount up to INR 85,00,000/- (Rupees Eighty Five Lakhs Only) to meet the Operational Expenses of the Corporate Debtor under CIRP.

AUTHORITY FOR RAISING INTERIM FINANCE:

Pursuance to the resolution passed by the Committee of Creditors ("COC"), the resolution professional (RP) seeks to raise interim finance.

CASHFLOW PRIORITY OF INTERIM FINANCING:

As per Section 5(13)(a) of the Insolvency and Bankruptcy Code, 2016 ("Code"), "insolvency resolution process costs" includes the amount of any interim finance and the costs incurred in raising such finance. Under Section 30(2)(a) of the Code, the resolution plan should provide for the payment of insolvency resolution process costs in priority to the payment of other debts of the corporate debtor and also, under 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 such order of priority and within such period and in such manner as may be specified, the first being the insolvency resolution process costs.

MANNER OF RAISING INTERIM FINANCE:

Expression of Interests (EoI) are being invited by the RP of the Corporate Debtor. Interested parties can contact the Resolution Professional at the below-mentioned co-ordinates:

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| Reg. Address with IBBI: Sumedha Management Solutions Private Limited, 11/1, Sarat Bose Road, Ideal Plaza, South Block, 4th Floor, Room No.405, Kolkata, West Bengal- 700020 Reg. Email ID with IBBI: bijay_murmuria@sumedhamanagement.com | Project specific address for correspondence: Sumedha Management Solutions Pvt. Ltd. 11/1, Sarat Bose Road, Ideal Plaza, South Block, 4th Floor, Room No.405, Kolkata, West Bengal- 700020 Email- ip.dimensionsteel@gmail.com Telephone: +91 33 4001 9526 |
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INDICATIVE TERMS:

The following are the indicative terms with respect to the interim finance (“**Loan**”) to be raised by the RP:

| SL. NO. | PARTICULARS | DETAILS |
|---------|---------------------|---|
| 1. | Lender | The Lender shall be selected based on the most competitive rate of interest. |
| 2. | Borrower | DIMENSION STEEL & ALLOYS PRIVATE LIMITED |
| 3. | Purpose | The Loan shall be utilized by the Borrower for short term business requirements. |
| 4. | Max Loan Limit | Maximum Limit is INR 85,00,000/- (Rupees Eighty Five Lakhs Only) |
| 4. | Loan Limit | Rs.85,00,000/- (Rupees Eighty Five Lakhs Only) in tranches with initial raise of INR 20 Lacs. |
| 5. | Security | The Loan shall be unsecured. |
| 6. | Tenure | Till the conclusion of the insolvency resolution process of the Borrower or such extended period for which the insolvency resolution process continues. |
| 7. | Rate of Interest | Not exceeding 15% p.a. (Fifteen percent per annum) compounded quarterly. |
| 8. | Drawdown | During the Tenure, the Borrower will have the option of drawing down from time to time in tranches of at least Rs.20,00,000/- (Rupees Twenty Lakhs Only). There shall be no commitment charges for unutilized amount. |
| 9. | Payment of Interest | Interest shall be paid at quarterly rests. |
| 10. | Loan Repayment | The Loan shall form part of insolvency resolution process costs. As per the Code, interim finance has been given super- priority status and the repayment of the Loan shall have first priority after a resolution is reached or when the Borrower is liquidated. |
| 11. | Documentation | The parties shall be executing a Loan Agreement under the arrangement. |

Disclaimer: All liability to pay interest/repay the Loan shall be on the Company. The Resolution Professional and/ or any of the members of the COC have no liability whatsoever in this regard.