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Regn.No. IBBI/PA-002/IP-N00098/2017-2018/10241

Ref: SR/IP/MC/311/2020-21

Date : 24th June 2020

To

The Operational Creditors

(Suppliers / Service Providers)

Empee Distilleries Limited.

Dear Sirs / Madam,

Sub: Settlement of admitted claims of Operational Creditors of Empee Distilleries Limited - Payment of Third Tranche done on 18th Jun. 2020

Please be informed that in terms of the Resolution Plan of SNJ Distillers Private Limited (SNJ) approved by the Hon'ble National Company Law Tribunal, Chennai on 20th January, 2020 the settlement to the creditors of Empee Distilleries Ltd. (EDL) has been in progress.

In the approved resolution plan, SNJ has provided a maximum sum of Rs.29.83 crores towards full and final settlement of the total admitted claims of operational creditors. As per the updated List of Creditors, the admitted claims of operational creditors (suppliers/service providers) amount to Rs.52.45 crores. A copy of the List of Creditors has been uploaded in the website of EDL (www.empeegroup.co.in) showing the amount claimed and admitted. The claim settlement works out to 57% (appx) of the claim amount admitted.

As per the approved Resolution Plan, the payments to operational creditors were to be made in four tranches, i.e. 35%, 25%, 20% and 20% over a period of 120 days. However, the creditors may be aware that the time-lines have been stretched due to Madras High Court stay for a period of 49 days between 30th Jan. 2020 and 19th March 2020 and Covid-19 lockdown from 25th March 2020 onwards. In spite of these challenging constraints, the Monitoring Committee and SNJ have been taking all steps to implement the resolution plan including realisation and distribution of amounts to various creditors.

1st Tranche of 35%

Pursuant to the decisions of the Monitoring Committee in its 1st meeting held on 27th Jan. 2020, 35% of the settlement amount was released via NEFT / RTGS on 28th Jan. 2020 to the Bank Account details furnished by you along with your claim. This amount (Rs.10.44 crores) was released from the first lot of 35% payment received from SNJ.

2nd Tranche of 25%

In continuation of the first payment of 35% amount, 25% of the settlement amount was to be released in the 2nd tranche by 20th March 2020. However, due to delay caused by the High Court Stay order and the COVID-19 lockdown, SNJ was not able to mobilise the funds payment of the 2nd tranche of resolution plan amount. The Monitoring Committee, in its 2nd meeting held on 23rd March 2020 decided that at least Rs.25 crores shall be brought in by SNJ on or before 31st March 2020 and further amounts within the resolution plan deadlines, subject to review after the COVID-19 lockdown.

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the governance people
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Company Secretaries

Accordingly, SNJ brought in Rs.25 crores on 31st March 2020 and out of this part amount, the Monitoring Committee decided to release the 25% payment (Rs.7.46 crores) on priority to the operational creditors. Therefore, the 25% of the settlement amount was released to all the operational creditors via NEFT / RTGS on 31st Mar. 2020 itself to the bank account details furnished by them along with their claim or updated bank account details furnished to us.

3rd Tranche of 20%

In continuation of the above first & second payment, 20% of the settlement amount was to be released in the 3rd tranche by 19th Apr. 2020. However, due to delay caused by the High Court stay order and the COVID-19 lockdown, SNJ was not able to mobilise the funds payment of the 3rd tranche of resolution plan amount. Even the 2nd Tranche payment could not be brought in full.

The Monitoring Committee, in its 3rd Meeting held on 18th May 2020 decided that at least Rs. 45.05 Crores shall be brought in by SNJ on or before 20th June 2020 and further amounts within the resolution plan deadlines, subject to review after the COVID-19 lockdown. Accordingly, SNJ brought in Rs. 45.05 Crores on 18th Jun. 2020 and out of this part amount, the Monitoring Committee decided to release the 20% payment (Rs. 5.96 Crores) on priority to the operational creditors. Therefore, the 20% of the settlement amount was released to all the admitted operational creditors via NEFT/ RTGS on 18th Jun. 2020 itself to the bank account details furnished by them along with their claim or updated bank account details furnished to us.

Please take note that the credit to your bank account as mentioned above, will be taken as discharge for accepting the amount admitted as full and final settlement against the claim as well as receipt of the 1st, 2nd & 3rd instalment payment. Further payments towards the balance amount will follow from subsequent payments to be received from SNJ as per the terms of the approved resolution plan and as per the decision of the Monitoring Committee.

In this regard, it may be mentioned that as per Section 31(1) of IBC, where the Adjudicating Authority by order approves a resolution plan, the said resolution plan ***shall be binding on Corporate Debtor and its employees, members, creditors, including the Central Government, any state Government or any authority to whom a debt in respect of the payment of dues arising under any law for time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.***

This communication is issued without any prejudice and for communicating the process being followed in a transparent manner.

Regards

**S. Rajendran
Resolution Professional &
Head Monitoring Committee
In the matter of Empee Distilleries Limited**