

## Frequently Asked Questions:

### DISCLAIMER:

These frequently asked questions ("FAQs") are designed to help answer questions of creditors who may have queries on public announcements of Aircel Limited ("AL"), Dishnet Wireless Limited ("DWL") and Aircel Cellular Limited ("ACL") (the "**Company(ies)**" or the "**Corporate Debtor(s)**") relating to commencement of Corporate Insolvency Resolution Process ("CIRP") in accordance with the Insolvency and Bankruptcy Code, 2016.

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### 1. What is the Corporate Insolvency Resolution Process and Corporate Insolvency Resolution Process Period?

Answer: Corporate Insolvency Resolution Process ("CIRP") is a process during which an resolution professional is appointed as Interim Resolution Professional ("IRP") / Resolution Professional ("RP") to manage the affairs of the Company as a going concern and invites prospective lenders, investors and any other persons to put forward their resolution plans in order to explore the possibility of having a resolution by way of restructuring or other possible modes to revive the Company.

CIRP period continues for a period of 180 days commencing from the date of admission of application for initiating CIRP by the National Company Law Tribunal ("NCLT") which may be further extended for a further period of 90 days (180 + 90 = 270 days) in accordance with the provisions of the Code.

### 2. What is the status of management of Company after the appointment of IRP?

Answer: From the date of appointment of IRP, the management of affairs of the Company shall vest with IRP, the power of the board of directors shall stand suspended and be exercised by IRP. All personnel of the Company, its promoters and persons associated with the management of the Company shall extend all assistance and cooperation to the IRP, as may be required by him; and officers and managers of the Company shall report to the IRP. The IRP will endeavour to manage the operations of the Company as a going concern.

### 3. What are the major duties of IRP / RP during the CIRP?

Answer: The major functions of IRP/RP *inter alia* include the following:

- a) Protection and preservation of the value of property of the corporate debtor and maintenance of its operations as a going concern.
- b) to collect all information relating to the assets, finances and operations of the Company for determining the financial position of the Company and take control and custody of assets of the Company as per the Code.
- c) receive, collate & verify claims submitted by creditors, pursuant to public announcements published on 16<sup>th</sup> March 2018 (for "AL") and 30<sup>th</sup> March 2018 (for DWL and ACL)
- d) constitute Committee of Creditors ("CoC") for the Corporate Debtor & prepare list of creditors,
- e) prepare an information memorandum,
- f) invite prospective lenders, investors, and any other persons, through publication of Expressions of Interest / Notice of Invitation or otherwise, to submit resolution plans (if any).

#### **4. What is a resolution plan?**

Answer: A resolution plan is a plan which is submitted by a resolution applicant for possible revival of the company through restructuring or otherwise, after taking into consideration, among other things, the present financial situation of the company including but not limited to the admitted claims of the creditors.

#### **5. Who is the final sanctioning/ approving authority of a resolution plan?**

Answer: The RP shall present all resolutions plans received, from potential resolution applicants who are eligible, and that meet the mandatory requirements of the Code, to the CoC for its consideration. The CoC may approve any such resolution plan with such modifications as it deems fit. The resolution plan approved by CoC will be submitted for final approval to NCLT by the RP as per the provisions of the Code and implemented once approved. The final approving authority is accordingly NCLT. Once approved, the resolution plan will be binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan.

#### **6. What is the purpose of enactment of the Code?**

Answer: As per preamble to the Code, the purpose of this Code is as follows:-

- To consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner.
- To maximize the value of assets of interested persons.
- To promote entrepreneurship
- To promote availability of credit.
- To balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues.
- To establish an Insolvency and Bankruptcy Board of India as a regulatory body for insolvency and bankruptcy law.

#### **7. What shall be treated as debt under the Code?**

Answer: As per Section 3(11) of the Code, debt means a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt.

#### **8. What shall be considered as claim under the Code?**

Answer: As per Section 3(6) of the Code, Claim means a

- (i) right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, secured or unsecured;
- (ii) right to remedy for breach of contract under any law for the time being in force, if such breach gives rise to a right to payment whether or not such right is reduced to judgment, fixed, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured.

#### **9. Who shall be termed as creditor under the Code?**

Answer: As per section 3(10) of the Code, a creditor means any person to whom a debt is owed and includes a financial creditor, an operational creditor, a secured creditor, an unsecured creditor and a decree-holder.

#### **10. What is included in the financial debt?**

Answer: As per Section 5(8) of the Code, financial debt means a debt along with interest, if any, which is disbursed against the consideration for the time value of money and includes:-

- a) Any money borrowed against the payment of interest.
- b) Any amount raised by acceptance under any acceptance credit facility or its de-materialised equivalent.
- c) Any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument.
- d) The amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards.
- e) Any receivables sold or discounted other than any receivables sold on non-recourse basis.

- f) Any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing.
- g) Any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account.
- h) Any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution.
- i) The amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in above clauses.

#### **11. What is included in operational debt?**

Answer: As per Section 5(21) of the Code, operational debt means a claim in respect of

- a) Provision of goods; or
- b) Provision of services including employment; or
- c) a debt in respect of the repayment of dues arising under any law for the time being in force and payable to the Central Government, any State Government or any local authority.

#### **12. How should an operational creditor, (other than workmen and employee) submit the form (proof of claim) to the IRP/ RP?**

Answer: An operational creditor shall submit his proof of claim in **Form B** to the IRP/RP in person, by post or by electronic means.

#### **13. When will the CIRP commence?**

Answer: The CIRP shall commence from the date of admission of application filed by financial creditor/operational creditor/corporate applicant, by the Adjudicating Authority (being NCLT).

#### **14. What is the significance of the CIRP commencement date?**

Answer: The commencement date of the CIRP is significant because all proof of claims submitted by the creditors of the corporate debtor are required to be for the period prior to the insolvency commencement date. Further, on and from the insolvency commencement date, the NCLT declares a moratorium on the corporate debtor which lasts till the time the resolution plan is approved by the NCLT or an order for liquidation is passed against the corporate debtor.

The commencement date of the CIRP of the Corporate Debtors are:

| <b>Corporate Debtor(s)</b>                  | <b>AL</b>                  | <b>DWL</b>                 | <b>ACL</b>                 |
|---|----------------------------|----------------------------|----------------------------|
| <b>Insolvency Commencement Date ("ICD")</b> | 12 March 2018 <sup>1</sup> | 19 March 2018 <sup>2</sup> | 19 March 2018 <sup>3</sup> |

#### **15. What is the effect of order of moratorium?**

Answer: Moratorium has been defined in Section 14 of the Code which commences from the insolvency commencement date, during the moratorium period the following acts shall be prohibited:

- a) The institution of suits or continuation of any pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- b) Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;

<sup>1</sup> Order issued on NCLT website on 14 March 2018

<sup>2</sup> Order issued on NCLT website on 28 March 2018

<sup>3</sup> Order issued on NCLT website on 28 March 2018

- c) Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act, 2002
- d) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.
- e) Further, supply of essential goods and services to the corporate debtor shall not be terminated or suspended or interrupted during the moratorium period.

**16. What will happen if a creditor fails to submit proof of claim within the time stipulated in the public announcement?**

Answer: As per Regulation 12 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**CIRP Regulations**”) a creditor who fails to submit proof of claim within stipulated time in the public announcement, may submit such proof of claim to the IRP / RP before the resolution plan is approved by the Committee of Creditors.

**17. What were the public announcements of AL, DWL and ACL?**

Answer: Public announcements have been duly made for the attention of creditors of **AL, DWL and ACL** in accordance with the provisions of the Code, notifying the creditors that the NCLT, Mumbai Bench, has ordered the commencement of CIRP against AL on 12 March 2018, against DWL on 19 March 2018 and against ACL on 19 March 2018, and that the creditors may submit their respective proofs of claim against AL, DWL and ACL to the IRP.

A copy of the orders can be found on the website of the Corporate Debtors at:

|            |   |
|------------|---|
| <b>AL</b>  | <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/order_copy_pdf.pdf">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/order_copy_pdf.pdf</a> |
| <b>DWL</b> | <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/dwl_order_pdf.pdf">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/dwl_order_pdf.pdf</a>   |
| <b>ACL</b> | <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/acl_order_pdf.pdf">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/acl_order_pdf.pdf</a>   |

Copies of public announcements can be found on the website of the Corporate Debtors at:

|            |  |
|------------|--|
| <b>AL</b>  | <ul style="list-style-type: none"> <li>• <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/announcement_english_pdf.pdf">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/announcement_english_pdf.pdf</a> (English)</li> <li>• <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/announcement_hindi_pdf.pdf">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/announcement_hindi_pdf.pdf</a> (Hindi)</li> </ul> |
| <b>DWL</b> | <ul style="list-style-type: none"> <li>• <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/dwl_english_pdf.jpg">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/dwl_english_pdf.jpg</a> (English)</li> <li>• <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/dwl_hindi_pdf.jpg">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/dwl_hindi_pdf.jpg</a> (Hindi)</li> </ul>                                     |
| <b>ACL</b> | <ul style="list-style-type: none"> <li>• <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/acl_english_pdf.jpg">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/acl_english_pdf.jpg</a> (English)</li> <li>• <a href="http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/acl_hindi_pdf.jpg">http://www.aircel.com/AircelWar/images?url=/ucmaircel/groups/public/documents/webasset/acl_hindi_pdf.jpg</a> (Hindi)</li> </ul>                                     |

**18. How do I file a claim as a creditor?**

Answer: The detailed instructions for submission of proof of claim have been provided in the public announcements. The creditors of AL, DWL and ACL are requested to submit a proof of their claims, for the period prior to the insolvency commencement dates of the respective Corporate Debtor, on or before the last date as mentioned in the public announcements of the respective Corporate Debtors, in the prescribed form, to the IRP at the address given below through:

- i. electronic means only (if you are a financial creditor), and
- ii. in person, by post or by electronic means (if you are an operational creditor, workman or employee, or other creditor)

|                            |           |            |            |
|----------------------------|-----------|------------|------------|
| <b>Corporate Debtor(s)</b> | <b>AL</b> | <b>DWL</b> | <b>ACL</b> |
|----------------------------|-----------|------------|------------|

|                                       |  |  |  |
|---------------------------------------|--|--|--|
| <b>IRP email address:</b>             | <a href="mailto:inaircelip@deloitte.com">inaircelip@deloitte.com</a>   | <a href="mailto:indishnetip@deloitte.com">indishnetip@deloitte.com</a> | <a href="mailto:inaclip@deloitte.com">inaclip@deloitte.com</a> |
| <b>IRP name:</b>                      | Vijaykumar V Iyer  |  |  |
| <b>Correspondence address of IRP:</b> | Deloitte Touche Tohmatsu India LLP, 22 <sup>nd</sup> Floor, DLF Epitome, Building No.5, Tower A, DLF Cyber City, DLF Phase III, Gurgaon 122002, India. |  |  |
| <b>Registration Number of IRP:</b>    | IBBI/IPA-001/IP-P00261 /2017-18/10490  |  |  |

The proof of claims is to be submitted by way of specified forms, along with affidavit/declaration (witnessed by a notary or oath commissioner) (as the case may be) and relevant documentary proof in support of the claim, as prescribed under Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

Please refer to Q.16 for remedy for a creditor who fails to submit proof of claim within stipulated time in the public announcement.

### **19. Where will I get the claim forms?**

Answer: The forms can be downloaded from the website <http://www.ibbi.gov.in/downloadform.html> (Forms under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016) and one can also find those claim forms at the links below:

- [Form B](#) – for claims by operational creditors (except workmen and employees)
- [Form C](#) – for claims by financial creditors
- [Form D](#) – for claims by workmen and/or employees
- [Form E](#) – for Claims by Authorized Representative of Workmen and Employees
- [Form F](#) – for Claims by Creditors (Other than Financial Creditors and Operational Creditors)

Please note that the forms submitted from April 1, 2018 onwards should be in the formats prescribed under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2018.

### **20. Which documents and support should I attach along with claim form while submitting to the IRP?**

Answer: Please find below an indicative list of supporting documentary evidence.

#### Operational Creditor

- Authorized contract / purchase order for the supply of goods and/or services
- Proof of delivery/ work completion certificate
- Invoices
- Ledger statement of the Corporate Debtor in your books indicating outstanding receivables/financial accounts
- Order of a court or tribunal that has adjudicated upon the non-payment of a debt

#### Financial Creditor

- Financial contract supported by financial statements as evidence of the debt
- Records evidencing that the amounts committed by the financial creditor to the corporate debtor under a facility has been drawn by the corporate debtor
- Financial statements showing that the debt has not been repaid
- Order of a court or tribunal that has adjudicated upon the non-payment of a debt

#### Workmen & Employees

- Proof of employment such as valid contract of employment
- Notice demanding payment of unpaid dues and any documentary or other proof that payment has not been made
- Order of a court or tribunal that has adjudicated upon the non-payment of a dues

#### Creditors other than operational and financial creditors

- documentary evidence demanding satisfaction of the claim;

- bank statements of the creditor showing non-satisfaction of claim;
- an order of court or tribunal that has adjudicated upon non-satisfaction of claim, if any.

**21. I have already sent the detailed listing of invoices outstanding to IRP. Would I still need to fill and submit my claim?**

Answer: Yes. Proof of claims need to be submitted using appropriate form and should be complete in all respects, including signed and notarised affidavit/ declaration (witnessed by a notary or oath commissioner) (as the case may be) and relevant supporting documents, as prescribed under the Code for consideration.

**22. Will I be a required to submit any further documents or clarifications after submitting the proof of claim?**

Answer: Yes, the IRP, as the case may be, may call for such evidence or clarifications from the creditors, as he deems fit in order to substantiate /verify the whole or part the claim.

**23. What date should be considered to determine the claim amount?**

Answer: All claims should be as at the insolvency commencement date of the respective Corporate Debtor:

| <b>Corporate Debtor(s)</b>          | <b>AL</b>     | <b>DWL</b>    | <b>ACL</b>    |
|-------------------------------------|---------------|---------------|---------------|
| <b>Insolvency Commencement Date</b> | 12 March 2018 | 19 March 2018 | 19 March 2018 |

The creditors are advised to submit their proof of claims for each entity of the Aircel Group admitted into CIRP separately in line with their respective public announcements.

**24. I am a goods or services provider/ distributor to the Corporate Debtor(s) and have outstanding due against the companies. What shall be my course of action during the CIRP?**

Answer: The objective of the CIRP is to facilitate a sustainable resolution plan for the Corporate Debtors. Till such time as a resolution plan is approved by the NCLT, the IRP/ RP will endeavour to run the operations of the Corporate Debtors as a going concern and protect and preserve the value of property of the Corporate Debtors. In furtherance thereof, you are requested to extend your corporation and assistance to the IRP/ RP, as and when required.

You are requested to submit your proof of claim in the manner as set out herein and the proof of claims submitted for the period prior to the insolvency commencement date shall be dealt with in accordance with the Code.

In respect of any claim of creditor for any goods or services provided by such creditor to Corporate Debtor(s), Form B is required to be filed in accordance with the format as specified in the Schedule of CIRP Regulations. In respect of to any other claim which is not in the nature of financial debt or claim towards goods and services provided by the creditor to the Corporate Debtor(s), Form F should be filed.

**25. Is it mandatory to have affidavit/ declaration notarized on a stamp paper?**

Answer: Yes. You must have your affidavit/declaration notarised by a registered notary public on a stamp paper. The stamp paper should be of appropriate value in accordance with the Stamp Act applicable in the state of its execution.

**26. I am authorized by workmen and/employees of the Corporate Debtor(s) to file a proof of claim on their behalf. How should I file the claim?**

Answer: If you are an authorised representative of workmen and/employees of the Corporate Debtor(s), you shall file proof of claim for and on behalf of the workmen and employees in Form E along with the duly notarised affidavit/ declaration and other documentary evidence in support of

proof of claim, provided under the Schedule of CIRP Regulations and submit it to the IRP of the Corporate Debtor, in person, by post or by electronic means.

**27. Having filed the claim, when can I expect the payment to be credited or made?**

Answer: It is made explicitly clear that mere submission of the claim does not by itself guarantee the payment. The payments will be made as per the resolution plan approved by the Committee of Creditors of the Corporate Debtor(s), and further by NCLT, including any modifications thereof, and all payments shall be dealt with in accordance with the provisions of the Code.

**28. What if I submit a wrong claim or inflate the claim amount, or write wrong particulars?**

Answer: The submission of a claim is supported by your affidavit/ declaration that the particulars are true and correct. Please evaluate the serious implications of doing so. Your claim forms the basis of the RP computing the liquidation value of the assets and liabilities of the Corporate Debtor, preparation of resolution plan etc. Therefore, you must ensure that the particulars submitted by you are true and correct.

**29. What if my debt is in foreign currency?**

Answer: The claims of creditors which are denomination in foreign currency shall be valued in Indian currency at the official exchange rate which is the reference rate published by the Reserve Bank of India or derived from such reference rate, as on the date of the commencement of the CIRP of the respective Corporate Debtors.