

Office of Liquidator
Appointed by Hon'ble NCLT, Allahabad
In The Matter of LML Limited (In Liquidation)

CIN: L34101UP1972PLC003612

Liquidator : Arun Gupta

IBBI Reg. No: IBBI/IPA-002/IP-N00051/2016-17/10095

Regd. Add.: S-34, LGF, Greater Kailash-II, New Delhi - 110048

LML Limited (In Liquidation)

PROCESS FOR DISTRIBUTION OF FUNDS

Date: 22.11.2023

Distribution to stakeholders is done under section 53 of Insolvency and Bankruptcy Code, 2016 ('Code') and subject to realization from sale of assets and provisions of section 36 of the Code.

For the benefit, and brevity of all the stakeholders, we are providing below a note on sequence of payments to various stakeholders.

A. Payment of the insolvency resolution process costs and the liquidation costs: The payment of these costs is being paid in the manner/sequence under Section 53(1)(a)

B. WORKMEN: The claim admitted of workmen is divided into following three categories -

a) Gratuity of Workmen:

Status of payment: Gratuity to workmen is already paid under section 36(4) of the Code. However, there are few workmen to whom Gratuity is payable (Gratuity admitted) as per list of workmen (version-5) available at the website but payment could not be made for want of certain information. All those workmen (whose admitted claim are under this category and not received payment till 20.11.2023) are requested to contact the office of liquidator on or before 10.12.2023 and List of those workmen is available at website www.lmlworld.in as file named "Detail required LML Employees/Workmen_Nov 2023"

b) Workmen Dues for the Period of 24 Months Preceding the Liquidation Commencement Date:

The payment of dues for the period of 24 months preceding the liquidation commencement date can be done in the manner/sequence under Section 53(1)(b) as per waterfall mechanism under section 53 of the Code. Payment to workmen under this category is already started and is being distributed to the extent funds available with liquidator for distribution under section 53(1)(b) of the Code.



Office of Liquidator
Appointed by Hon'ble NCLT, Allahabad
In The Matter of LML Limited (In Liquidation)

CIN: L34101UP1972PLC003612

Liquidator : Arun Gupta

IBBI Reg. No: IBBI/PA-002/IP-N00051/2016-17/10095

Regd. Add.: S-34, LGF, Greater Kailash-II, New Delhi - 110048

However, there are few workmen to whom amount is payable (for the Period of 24 Months Preceding the Liquidation Commencement Date) as per list of workmen (version-5) available at the website but payment could not be made for want of certain information. All those workmen (whose admitted claim are under this category and not received payment till 20.11.2023) are requested to contact the office of liquidator on or before 10.12.2023 and List of those workmen is available at website www.lmlworld.in as file named "**Detail required LML Employees/Workmen_Nov 2023**"

c) Workmen Dues for the Period Prior to 24 Months Preceding the Liquidation Commencement Date:

The payment of dues for the period prior to 24 months preceding the liquidation commencement date can be done in the manner/sequence under Section 53(1)(f) as per waterfall mechanism under section 53 of the Code which means that payment to workmen under this category can be started only after distribution to stakeholders covered under section 53(1)(a) to 53(1)(e) of the Code and subject to availability of funds. Considering the realisation from sale of assets and available funds, the payment in respect of these dues cannot be made.

Note:

Provident Fund: Payment of Provident Fund under section 36(4) of the Code of all workmen has already made to provident fund department and as per company records, at present, no provident fund is payable to any workman.

C. EMPLOYEES: The claim of employees admitted is divided into following three categories-

a) Gratuity of Employees:

Status of payment: Gratuity to employees is already paid. However, there are few employees to whom Gratuity is payable (Gratuity admitted) as per list of employees (version-5) available at the website but payment could not be made for want of certain information. All those workmen (whose admitted claim are under this category and not received payment till 20.11.2023) are requested to



Office of Liquidator
Appointed by Hon'ble NCLT, Allahabad
In The Matter of LML Limited (In Liquidation)

CIN: L34101UP1972PLC003612

Liquidator : Arun Gupta

IBBI Reg. No: IBBI/PA-002/IP-N00051/2016-17/10095

Regd. Add.: S-34, LGF, Greater Kailash-II, New Delhi - 110048

contact the office of liquidator on or before 10.12.2023 and List of those employees is available at website www.lmlworld.in as file named "Detail required LML Employees/Workmen_Nov 2023"

b) Employees Dues for the Period of 12 Months Preceding the Liquidation Commencement Date:

The payment of dues for the period of 12 months preceding the liquidation commencement date can be done in the manner/sequence under Section 53(1)(c) as per waterfall mechanism under section 53 of the Code which means that payment to employees under this category can be started only after distribution to stakeholders covered under section 53(1)(a) to 53(1)(b) of the Code and subject to availability of funds. Considering the realisation from sale of assets and available funds, the payment in respect of these dues cannot be made.

c) Employees Dues for the Period Prior to 12 Months Preceding the Liquidation Commencement Date:

The payment of dues for the period prior to 12 months preceding the liquidation commencement date can be done in the manner/sequence under Section 53(1)(f) as per waterfall mechanism under section 53 of the Code which means that payment to employees under this category can be started only after distribution to stakeholders covered under section 53(1)(a) to 53(1)(e) of the Code and subject to availability of funds. Considering the realization from sale of assets and available funds, the payment in respect of these dues cannot be made.

Note:

Provident Fund: Payment of Provident Fund under section 36(4) of the Code of all employees has already made to provident fund department and as per company records, at present, no provident fund is payable to any employee.

D. Secured Creditors:

The payment of dues for the category of secured creditors can be done in the manner/sequence under Section 53(1)(b) as per waterfall mechanism under section 53



Office of Liquidator
Appointed by Hon'ble NCLT, Allahabad
In The Matter of LML Limited (In Liquidation)

CIN: L34101UP1972PLC003612

Liquidator : Arun Gupta

IBBI Reg. No: IBBI/PA-002/IP-N00051/2016-17/10095

Regd. Add.: S-34, LGF, Greater Kailash-II, New Delhi - 110048

of the Code which means that payment to this category of stakeholders can be started only after distribution to stakeholders covered under section 53(1)(a) of the Code.

Payments to this category has already been commenced. Funds are being distributed subject to availability of funds with liquidator for distribution under section 53(1)(b) of the Code.

E. Unsecured Financial Creditors

The payment of dues for the category of Unsecured Financial Creditors can be done in the manner/sequence under Section 53(1)(d) as per waterfall mechanism under section 53 of the Code which means that payment to this category of stakeholders can be started only after distribution to stakeholders covered under section 53(1)(a) to section 53(1)(c) of the Code. Considering the realization from sale of assets and available funds, the payment in respect of these dues cannot be made.

F. Operational Creditor (Government Dues):

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.

The payment of dues for the category of Operational Creditor (Government Dues) for a period of two years preceding the liquidation commencement date can be done in the manner/sequence under Section 53(1)(e) as per waterfall mechanism under section 53 of the Code which means that payment to Operational Creditors (Government Dues) under this category can be started only after distribution to stakeholders covered under section 53(1)(a) to section 53(1)(d) of the Code.

Similarly, the payment of dues for period other than covered under section 53(1)(e) can be done in the manner/sequence under Section 53(1)(f) as per waterfall mechanism under section 53 of the Code which means that payment to Operational Creditors (Government Dues) under this category can be started only after distribution to



Office of Liquidator
Appointed by Hon'ble NCLT, Allahabad
In The Matter of LML Limited (In Liquidation)

CIN: L34101UP1972PLC003612

Liquidator : Arun Gupta

IBBI Reg. No: IBBI/PA-002/IP-N00051/2016-17/10095

Regd. Add.: S-34, LGF, Greater Kailash-II, New Delhi - 110048

stakeholders covered under section 53(1)(a) to 53(1)(e) of the Code and subject to availability of funds

Considering the realization from sale of assets and available funds, the payment in respect of these dues cannot be made.

G. Operational Creditors (Other than Government dues)

The payment of dues for this category Operational Creditors (Other than Government dues) can be done in the manner/sequence under Section 53(1)(f) as per waterfall mechanism under section 53 of the Code which means that payment to this category can be started only after distribution to stakeholders covered under section 53(1)(a) to section 53(1)(e) of the Code and subject to availability of funds. Considering the realization from sale of assets and available funds, the payment in respect of these dues cannot be made.

H. Preference Shareholders

The payment of dues for the preference shareholder can be done in the manner/sequence under Section 53(1)(g) as per waterfall mechanism under section 53 of the Code which means that payment to this category of shareholders can be started only after distribution to stakeholders covered under section 53(1)(a) to section 53(1)(f) of the Code and subject to availability of funds. Considering the realisation from sale of assets and available funds, the payment in respect of these dues cannot be made.

I. Equity Shareholders

The payment of dues for the equity shareholders can be done in the manner/sequence under Section 53(1)(h) as per waterfall mechanism under section 53 of the Code which means that payment to this category of shareholders can be started only after distribution to stakeholders covered under section 53(1)(a) to section 53(1)(g) of the Code and subject to availability of funds. Considering the realisation from sale of assets and available funds, the payment in respect of these dues cannot be made.



Office of Liquidator
Appointed by Hon'ble NCLT, Allahabad
In The Matter of LML Limited (In Liquidation)

CIN: L34101UP1972PLC003612

Liquidator : Arun Gupta

IBBI Reg. No: IBBI/IPA-002/IP-N00051/2016-17/10095

Regd. Add.: S-34, LGF, Greater Kailash-II, New Delhi - 110048

Note:

1. Considering the funds available with the liquidator, apart from Gratuity and Provident Fund dues, the payment can be made to stakeholders covered under section 53(1)(a) and 53(1)(b) of the Code only that too to the extent funds available. The payment to stakeholders covered under section 53(1)(c) to 53(1)(h) of the Code will not possible as the liquidator do not have funds to distribute to these stakeholders.
2. Please note that claim received, claim admitted and distribution of amount of claim admitted are three activities under the Code. The admission of claim does not guarantee the payment to stakeholders under the provisions of Code as it is always dependent upon the availability of funds with the liquidator and category of stakeholders as per the provisions of the Code.
3. It is hereby noted that all distributions are subject to the provisions of Regulation 43 of the Insolvency and Bankruptcy Board of India (Liquidation Regulations), 2016, which requires *a stakeholder to forthwith return any monies received by him in distribution, which he/it was not entitled to at the time of distribution, or subsequently became not entitled to.* Therefore, the liquidator can ask to any stakeholder to return the money as per the Regulation 43 of the Insolvency and Bankruptcy Board of India (Liquidation Regulations), 2016.


Liquidator



LML Limited (in liquidation)

AFA valid upto 30.11.2023