**Update on Sintex BAPL Limited Recovery Process**

DSP Mutual Fund (’Fund’) held INR 100 crore (Face Value) of non-convertible debentures of Sintex BAPL Limited (‘Company’) in DSP Credit Risk Fund (‘Scheme’). Due to rating downgrade and subsequent default by the Company, the value of investments in the books of the Scheme was marked down as per the valuation provided by the valuation agencies. As of December 16, 2020; the value of investments in the books of the Scheme was marked down to INR 29 crores.

One of the operational creditors, Zielem Industries Private Limited had filed an application against the Company before the National Company Law Tribunal, at Ahmedabad (NCLT). The Application was admitted by the NCLT vide order dated December 18, 2020 and Corporate Insolvency Resolution Process (CIRP) against the Company was commenced. Accordingly, an Interim Resolution Professional (“IRP”) was appointed and a public announcement dated December 23, 2020 was made inviting claims against the Company.

In line with Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations, 2016, DSP Investment Managers Private Limited (Investment Manager of the Fund/AMC), on behalf of the Scheme, filed the claim form with the IRP, which was admitted by the IRP.

Subsequently, Sintex Plastic Technology Limited had filed an application before NCLT seeking withdrawal of the CIRP against the Company (“Withdrawal Application”). AMC filed an intervention application before NCLT on May 18, 2021 against the Withdrawal Application so as to enable the AMC to oppose the grant of relief sought in the Withdrawal Application.

The NCLT on June 29, 2021 (“Withdrawal Order”) allowed the Withdrawal Application filed by Sintex Plastic Technology Limited. On June 30, 2021, one of the secured creditor (“Secured Creditor”) approached NCLT and got a stay on the Withdrawal Order upto July 07, 2021 which was subsequently extended upto July 19, 2021.

The Secured Creditor had also filed an appeal before NCLAT against the Withdrawal Order. Accordingly, the Hon’ble NCLAT on July 12, 2021 granted stay on the Withdrawal Order upto August 24, 2021. In support of the Secured Creditor, AMC, on August 13, 2021 also filed an appeal before NCLAT challenging the Withdrawal Order.

In the interregnum, on July 19, 2021 (“Admission Order”), NCLT admitted another petition filed by the Secured Creditor (which was pending during the pendency of the Withdrawal Application) initiating a separate CIRP against the Company.

Sintex Plastic Technology Limited had approached NCLAT challenging the Admission Order. The NCLAT vide its order dated August 13, 2021 granted stay against the Admission Order upto August 24, 2021.

All the appeals i.e. (a) Secured Creditors and AMC’s appeal against the Withdrawal Order; and (b) Sintex Plastic Technology Limited’s appeal against the Admission Order are being heard together by the NCLAT and the next hearing is on January 10, 2022.

Lenders are following a two-pronged approach viz. resolution through Insolvency & Bankruptcy Code and simultaneously looking for buyers outside of NCLT. Lenders have received multiple bids from interested parties for settlement outside of NCLT, which is subject to unanimous approval from all Lenders. DSP’s approach remains focussed on the fastest and the highest possible recovery for its investors.