

19 November 2019

TO CREDITORS AS ADDRESSED

Dear Sir / Madam

Indus Mining Services Pty Ltd (Formerly Indus Civil & Mining Pty Ltd) ACN 129 804 968
Indus Consolidated Pty Limited (Formerly Indus Holdco Ltd and Indus Consolidated Ltd) ACN 630 577 641
(All Administrators Appointed) (Collectively known as the “Indus Group”)

I advise that Barry Taylor and I were appointed Joint and Several Administrators of the Indus Group on 23 October 2019, by the Director of the Indus Group under section 436A of the Corporations Act 2001 (“the Act”).

Enclosed are the following for your information:

- Administrator’s Report to Creditors;
- Declaration of Independence, Relevant Relationships and Indemnities (Annexure A);
- PPSR Registration Summary (Annexure B);
- Creditor Information Sheet (Annexure C);
- Remuneration Approval Reports (Annexure D);
- Notice of Meetings (Annexure E);
- Proxy Forms (Annexure F);
- Proof of Debts for Voting Purposes (Annexure G);
- Detailed DOCA Analysis for each entity (Annexure H); and
- DOCA Proposals (Annexure I).

Please complete the Proof of Debt Form for Voting Purposes at the meeting and return this to my office by 5.00pm on the day before the meeting. If you need to complete the Proxy Form, I also request this by 5.00pm on the day before the meeting.

At the meeting, creditors will be asked to vote on the following regarding the future of the Indus Group:

1. The Company executing a Deed of Company Arrangement (“DOCA”);
2. The Company being voluntarily wound up;
3. The Administration ending; or
4. The meeting being adjourned for a period not exceeding 45 business days.

Administrators’ Recommendation

We recommend to creditors of each Indus Group entity resolve to execute a Deed of Company Arrangement as proposed for each entity. We reserve our right to change our opinion should circumstances change.

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If you have any queries, please liaise with James Scarcella of this office on (02) 9020 4146 or via email at jscarcella@hlbnsw.com.au.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Todd Gammel'. The signature is written in a cursive, flowing style.

Todd Gammel
Joint Administrator of the Indus Group

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Indus Mining Services Pty Ltd (Formerly Indus Civil & Mining Pty Ltd) ACN 129 804 968

Indus Consolidated Pty Limited (Formerly Indus Holdco Ltd and Indus Consolidated Ltd) ACN 630 577 641

(All Administrators Appointed)
(Collectively known as the “Indus Group”)

Administrators’ Report to Creditors

Provided pursuant to Section 75-225 of the Insolvency Practice Rules (Corporations) 2016

Dated 19 November 2019

Administrators	Todd Andrew Gammel & Barry Anthony Taylor
Appointment Date	23 October 2019
Second Meeting of Creditors	27 November 2019
Contact	James Scarcella
Telephone Number	(02) 9020 4146

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Annexure B	PPSR Registration Summary
Annexure C	Creditor Information Sheet
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Annexure E	Notice of Meetings
Annexure F	Proxy Forms
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Annexure H	Detailed DOCA Analysis
Annexure I	DOCA Proposals

Summary of Key Terms

Defined Term	Definition
Act	<i>Corporations Act 2001</i>
Administrators	Todd Andrew Gammel and Barry Anthony Taylor
AEST	Australian Eastern Standard Time
ARITA	Australian Restructuring, Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
AUD	Australian Dollars
BV	Book Value
CA	Confidentiality Agreement
COB	Close of Business
Director	Mr Jon Howarth
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
DOCA	Deed of Company Arrangement
EBITDA	Earnings before interest, tax, depreciation and amortisation
EOI	Expressions of Interest
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
FY	Financial Year
Former Directors	Refer to the list in section 5
GST	Goods and Services Tax
IMS or Indus Mining	Indus Mining Services Pty Ltd (Formerly Indus Civil & Mining Pty Ltd) (Administrators Appointed) ACN 129 804 968
IMC	Indus Consolidated Pty Limited (Formerly Indus Holdco Ltd and Indus Consolidated Ltd) (Administrators Appointed) ACN 630 577 641
Indus Group	Indus Mining Services Pty Ltd (Formerly Indus Civil & Mining Pty Ltd) ACN 129 804 968 Indus Consolidated Pty Limited (Formerly Indus Holdco Ltd and Indus Consolidated Ltd) ACN 630 577 641
JJM	J.J. McDonald & Sons Sub-Holdings Pty Ltd
k	Thousands
m	Million
Lenders	The 'Lenders' as defined in the Syndicated Loan Note Subscription Agreement – Project Greyjoy dated 21 December 2018
OCTS	One Corporate Trust Services Limited
OSR	Office of State Revenue
P&E	Plant and Equipment
PAYG	Pay As You Go Withholding
PPSA	Personal Property Securities Act
PPSR	Personal Property Securities Register
RATA	Reports as to Affairs
Secured Creditor	One Corporate Trust Services Pty Ltd in its capacity as security trustee under the General Security Deed dated 21 December 2018
SSPD	Share Sale and Purchase Deed between J.J. McDonald & Sons Sub-Holdings Pty Ltd and Indus HoldCo Ltd
Vendor Loan	The 'Principal' as defined in the Vendor Loan Agreement – Project Greyjoy dated 21 December 2018
YTD	Year To Date

1. Introduction

We, Todd Gammel and Barry Taylor were appointed as Joint and Several Administrators of the Indus Group under Part 5.3A of the Corporations Act 2001 (“the Act”) on 23 October 2019 by the Director.

The purpose of the appointment of an Administrator is to allow for an independent Insolvency Practitioner to take control of and investigate the affairs of an insolvent Company and to determine whether its affairs may be administered in a way that:

- Maximises the chances of the Company, or as much as possible of its business, continuing in existence; or
- If it is not possible for the company or business to continue in existence – results in a better return for the company’s creditors and members than would result from an immediate winding up of the Company.

During that time, the claims of creditors are put on hold. At the end of that period, the Administrators are required to provide creditors with information and recommendations to assist creditors to decide upon the company’s future.

The purpose of this report is to provide creditors with sufficient information for them to make an informed decision about the future of the Indus Group, including:

- Background information about the Indus Group;
- Details of the assets and liabilities of the Indus Group;
- The results of the Administrators’ investigations into the past affairs of the Indus Group and prospects of future recoveries if the Indus Group is placed into liquidation;
- Details of the proposed Deed of Company Arrangement (“DOCA”) (if applicable);
- The estimated returns to creditors under a DOCA and liquidation scenario; and
- The options available to creditors and our opinion on each of these options including which option is in the creditors’ interests.

We have undertaken the following investigations to prepare this report and formulate our opinion:

- Review of the recent trading of the Indus Group;
- Analysis of the financial position of the Indus Group including any security held by financiers, and various other charge holders to obtain an estimate of potential funds available for unsecured creditors;
- Examination of the books and records of the Indus Group including various investigatory tasks regarding:
 - (1) A review of possible breaches of insolvent trading and voidable transactions provision of the Act and other possible offences under the Act;
 - (2) Payments made to creditors and suppliers;
 - (3) Review of related party loans, transactions and claims;
 - (4) Review of the assets and liabilities position of the Indus Group and the potential to recover funds from various parties;
 - (5) Review the liquidation position in terms of the return to creditors; and
- Analysis of the DOCA Proposals and comparison of DOCA Proposals to estimated Liquidation outcome.

At the meeting of creditors to be held on Wednesday 27 November 2019, creditors will be asked to make a decision regarding the future direction of the Indus Group by passing an ordinary resolution in respect of options available to them.

In this report, we recommend to creditors of each Indus Group entity resolve to execute a Deed of Company Arrangement as proposed for each entity as this option is, in the Administrators' opinion, in the best interests of creditors for each respective entity.

Further details supporting this recommendation are provided in this report. We reserve our right to change our opinion should circumstances change.

2. Executive Summary

The following executive summary of the key matters and recommendations for the attention of creditors:

Key Issue for Creditors	Summary/ Status	Report Reference
Sale of Assets	An EOI in the purchase of the business and/or assets was not received during the Administrators sale process. A surplus asset realisation process has been implemented.	4.3
Administrators Investigations	Expected recovers in Liquidation of IMS and IMC are both estimated to be Nil from investigations to date; however, further investigations would be conducted in a Liquidation.	10
Deed of Company Arrangement Proposals	Proposals have been received from NewCo 1, a party related to the Secured Creditor that are supported by the Secured Creditor and Director.	
Estimated Return to Creditors	<ol style="list-style-type: none"> 1. Secured Creditor position largely unchanged; 2. Payment of priority (employee) claims in full via dividend; 3. Unsecured creditors of circa 9 cents to 11 cents in the dollar, subject to final admitted creditor claims for each entity. Detailed DOCA analysis & comparison is at Annexure H.	12
Administrators Recommendation	For creditors of each Indus Group entity to resolve to execute a Deed of Company Arrangement as proposed for each entity. We reserve our right to change our opinion should circumstances change.	13
Second Meeting of Creditors	27 November 2019 at 11am AWST at the Chartered Accountants Australia & New Zealand premises at 2 Mill St, Perth WA 6000.	15
Administrators Remuneration	Remuneration for Approval for each entity is detailed in the attached Remuneration reports, Annexure D that largely correlates with the initial estimate.	14
Deed Administrators Remuneration	Remuneration proposed for each entity is detailed in the attached Remuneration reports – Annexure D.	14
Liquidators Remuneration	Remuneration proposed for each entity is detailed in the attached Remuneration reports – Annexure D.	14

3. Declarations by Administrator – Indemnities and relevant relationships

Pursuant to Section 436DA of the Act, a Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) was enclosed with our circular to creditors dated 24 October 2019. The DIRRI was tabled at the first creditors meeting of the Indus Group on 1 November 2019.

Due to receiving an Indemnity and a funding arrangement from the Secured Creditor, One Corporate Trust Services Pty Ltd (“OCTS”) an amended DIRRI was issued to Creditors on 12 November 2019 disclosing this issue.

There are no circumstances that have arisen that would require further amendments to the Administrators’ Declaration of Independence, Relevant Relationships and Indemnities dated 8 November 2019. A copy of the updated DIRRI is attached as Annexure A.

4. Summary of Administration to Date

4.1 First Meeting of Creditors

Concurrent first meetings of creditors of IMS and IMC were held on, Friday, 1 November 2019. At the meeting, creditors did not resolve to remove the Administrators and appoint alternate Administrator(s).

At the meeting, there were nominations for a Committee of Creditors of IMS (“Committee”). The members of the Committee are detailed below:

Nominated Individual	Creditor
Watpac Corporate Services Pty Ltd	Derreck Goh
Remagen Facility Agent Pty Ltd	Cam Cheetham
Westdrill Pty Ltd	Myles Anderson
Machine Control Solutions Pty Ltd	Steven Piper
Employee Representative	John Grosser

A meeting of the Committee has not been convened to the date of this report.

A copy of the minutes of the First Meeting of Creditors for each of the Indus Group have been lodged with the ASIC and are available for inspection at our offices.

4.2 Administrators Actions to Date

Following appointment, the Administrators took possession and control of the assets of the Indus Group and undertook a review of the Indus Group’s financial position and ability to continue to trade.

A sale campaign was initiated for the Indus Group’s business and assets which is outlined in section 4.3 of this report.

The Administrators conducted an investigation of transactions that may be voidable against a liquidator as required by the Act and regulations that is detailed in Section 10 of this report.

Additional tasks have been undertaken in respect of liaising with employees and creditors, and attending to various statutory matters, such as reporting to and convening meetings of creditors.

Actions during the Administration include:

Matter	Task
Compliance and Administrative Duties	<ul style="list-style-type: none"> Advertising the Administrators’ appointment and first meetings of creditors on the ASIC Insolvency Notices website;
	<ul style="list-style-type: none"> Notifying statutory authorities of our appointments;
	<ul style="list-style-type: none"> Convening and holding first meeting of creditors;
	<ul style="list-style-type: none"> Liaising with IMs and IMCs Director to obtain the ROCAP and review same; and
	<ul style="list-style-type: none"> Preparing this report.

ASIC	<ul style="list-style-type: none"> ▪ Preparation of lodgement of relevant notices with the ASIC; and ▪ Lodging the RATA minutes of first Meetings of Creditors.
Creditors	<ul style="list-style-type: none"> ▪ Attending to telephone discussions, correspondence and queries from creditors; ▪ Review and discussion regarding creditor claims and the administration process.
Employees	<ul style="list-style-type: none"> ▪ Reviewing IMS's records regarding unpaid employee entitlements; ▪ Contract by contract review of each employee ; ▪ Engagement with the Department of Employment in relation to outstanding employee entitlements and lodgement of FEG claims; and ▪ Correspondence with employees in respect to employee entitlement calculations.
Insurance	<ul style="list-style-type: none"> ▪ Notifying insurance brokers of Administrators appointment; and ▪ Liaising with insurance brokers to ensure that appropriate insurance coverage had been implemented.
Investigation, Legal & Strategic Matters	<ul style="list-style-type: none"> ▪ Analysis of IMS and IMC's records; ▪ Review of background to the acquisition, the post sale arrangements with Watpac, related party arrangements and security structure; ▪ Meeting with the Director and Secured Creditor management regarding the investigation process and potential DOCA; ▪ Review of Battler contract; ▪ Review of PPSR claims and arrange withdrawal of incomplete securities; ▪ Consider issues raised by unsecured creditors; ▪ Review of documentation and records regarding major transactions; and ▪ Preliminary investigation into possibly voidable transactions with related entities.
Tax	<ul style="list-style-type: none"> ▪ Completing and lodging statutory ATO forms; and ▪ Assessment of the pre-appointment tax position and outstanding lodgements.
Operations	<ul style="list-style-type: none"> ▪ Liaising with landlord of the Welshpool premises regarding occupation of the premises; ▪ Preparation of cash flow forecasts for funding approval; ▪ Agree funding arrangements to meet pre-appointment employee entitlements and provide funding for continuation of operations; ▪ Management of operations and review of remaining contracts. Discussions with Iluka regarding revised trading terms and other options; ▪ Commercial arrangements to achieve Practical Completion on the Perron Quarry; ▪ Negotiations with Sandfire Resources regarding potential settlement of the DeGrussa project finalisation; ▪ Consider operational requirements once contracts completed, requirements moving forward; ▪ Review and management of purchase order process to enable greater transparency of costs incurred and timing for payment; ▪ Negotiations regarding ransom a payments and PPSR settlements; ▪ Discussions with SFS regarding removal of equipment.
Sale Program	<ul style="list-style-type: none"> ▪ Collation of relevant information for an IM for interested parties; ▪ Consider any individual asset proposals arising from existing surplus asset sale program on a commercial basis;

- Obtaining valuation of plant & equipment from GraysOnline;
- Review of security interests and asset realisation approval;
- Review of residual asset listing and requesting submissions for the sale of assets/surplus assets and auction style assets; and
- Contacting interest parties to discuss due diligence.

Further detail regarding the Administrators actions and tasks undertaken relating to the sale of assets, restructure of operations is provided below and in the attached Remuneration Report.

4.3 Sale of Business and/or Assets

Following appointment, an Expressions of Interest (“EOI”) campaign was initiated for the sale of the business and assets of the Indus Group. Actions undertaken included the following:

- Advertised in the Australian Financial Review newspaper on Monday 28 October 2019 and Friday 1 November 2019 seeking expressions of interest by 5pm Perth time, Wednesday 13 November 2019;
- Preparation of relevant due diligence material;
- Preparation of Confidentiality Agreement and discussions with interested parties;
- Identification and engagement with potential acquirers, with 6 parties initiating contact regarding the sale, Confidentiality Deeds were issued with 3 Confidentiality Deeds signed and returned;
- Follow up on initial expressions of interest received 3 parties were given access to the Data Room which included an Information Memorandum and a detailed inventory of Plant and Equipment;
- Management of the due diligence process, incorporating discussions regarding the sale of assets;
- Ultimately no Expressions of Interest were received by 5pm Perth time, Wednesday 13 November 2019; and
- Sale Campaign discontinued. Some of the interested parties have pursued interest in specific plant and equipment assets.

During the administration it was identified that there was a large volume of surplus assets at various locations around Western Australia, having been demobilised for contracts recently or over previous months/years.

In conjunction with the Secured Creditor that holds security over those fixed assets it was determined that sale of the surplus assets was the most commercial option to avoid further storage and maintenance costs, to reduce interest costs and debt balances.

As such submissions were sought for the sale of surplus assets and the following implemented:

- Auction of spares, sea containers and contents, and small surplus assets in November to December 2019; and
- Sale of major equipment by tender in November 2019.

Parties with interest in the assets should contract our office for details.

4.4 Trade On & Operations

At the date of appointment, the Indus Group had projects located across Western Australia.

Project(s)	Detail	Status
Perron Quarry	Reached practical completion during VA period.	Finalisation and close out of outstanding invoices underway.
Iluka Project – Capel and Tutunup	Final phase, with completion expected mid next year.	Operations continuing; however; options regarding continuation are under discussion.
Battler	Gold mine development works.	Expected to complete this phase mid next year.
DeGrussa /Sandfire	Post practical completion.	Negotiation regarding retention release and rejected damages claim underway.

Action may be required to cover some of the receivables arising under these projects if payment is withheld without justification.

As noted above, the Indus Mining business has reduced to two Projects, with potential for the Iluka Project to be transitioned unless improved terms are agreed in the near future.

This reduction in projects reduced availability of working capital and was a factor in the appointment of the Administrators.

5. Background and Statutory Information

5.1 Watpac Civil and Mining Business

Further background on the sale/acquisition of the business in late 2018 and the legal structure implemented is detailed below and in section 10.

Through major acquisitions of Grant Constructions, JA Dodd and J.J. McDonald & Sons Sub-Holdings Pty Ltd, Watpac added mining services, civil infrastructure and civil landscaping capability.

Across the FY16 and FY17 years the business generated revenues of \$166m and \$148m per annum and delivered EBITDA profits totalling \$15.5m and \$17.6m respectively.

However, across FY18 and FY19 revenues fell to \$81m and \$84m with EBITDA losses totalling \$2.6m incurred in both years.

Post-acquisition by Remagen Finance and Leasing Pty Ltd, the business to September 2019 (9 months) generated revenues totalling \$41m and generated EBITDA of \$2m, albeit once interest, depreciation and abnormals are taking into account losses before tax of \$14.5m were incurred.

5.2 Background to divestment of Watpac Mining & Civil Pty Ltd Dispute by J.J. McDonald & Sons Sub-Holdings Pty Ltd (JJM or the Vendor).

Following the completion of a strategic review in 2018, Watpac explored divestment of its civil and mining contracting business, Watpac Mining & Civil Pty Ltd, with numerous parties considering the opportunity.

Following due diligence and negotiations undertaken across the second half of the 2018 calendar year, including a period of exclusive due diligence during November 2018, on 21 December 2018 Watpac Civil and Mining Pty Ltd (renamed Indus Mining Services Pty Ltd) was acquired by Indus HoldCo Ltd (renamed Indus Consolidated Pty Ltd) an entity associated with Sydney based

Investment Group, Remagen Capital. The parent of Indus HoldCo Ltd is Remagen Finance and Leasing Pty Ltd.

The consideration paid as set out in the Share Sale and Purchase Deed (“SSPD”) to J.J. McDonald & Sons Sub-Holdings Pty Ltd (“JJM”) by Indus HoldCo Ltd totalled \$60m, being cash of \$41.5m via a secured loan, and an \$18.5m Vendor Loan to be paid subject to the achievement of certain financial and operational outcomes.

Further detail regarding the Vendor Loan is provided below.

During the first half of 2019 following the change in ownership of the Indus Group, a restructure plan was implemented including:

- a) The closure of the Civil Contracting division and focusing on Mining Services;
- b) Overhead cost reduction which reduced monthly costs from circa \$1m to circa \$0.7m; and
- c) The sale of surplus assets with \$12.194m realised from sales with \$10.56m used to repay the Secured Creditor and the balance retained in the business to fund operations.

5.3 Statutory Information

The Indus Groups statutory information is set out below as extracted from the Australian Securities & Investments Commission’s database:

Indus Mining Services Pty Ltd

Company Name	Indus Mining Services Pty Ltd (Administrators Appointed)
ACN	129 804 968
ABN	44 129 804 968
Date of Incorporation	20-February- 2008
Registered Office & Principle Place of Business	19-21 Casino Street Welshpool WA 6106
Director	Jon Howarth
Authorised and Issued Share Capital	1,010,000 Ordinary Shares Fully Paid
Paid up Shares	\$9,999,999.00
Shareholders	630 577 641 Indus Consolidated Pty Limited - 1,010,000 Held

Former Directors that have resigned in the past 6 months have also been requested to complete ROCAP’s for the relevant entity.

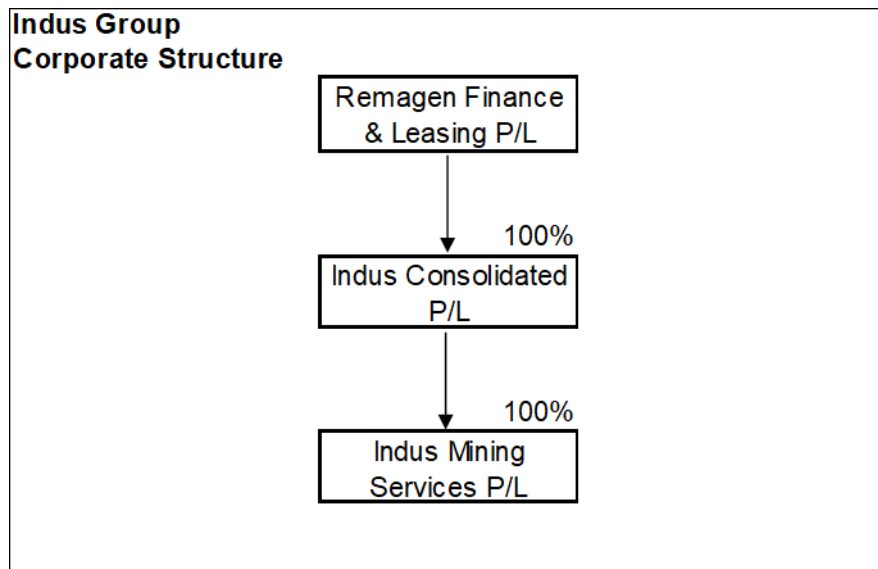
Previous Director	IMS Cease Date	IMC Cease Date
Peter Anthony Preston	N/A	4 October 2019
Paul Francis Hyland	N/A	4 October 2019
Marc Logan	N/A	29 August 2019
Simon Raftery	28 August 2019	29 August 2019
Vahid Haydari	28 August 2019	29 August 2019
Russell Hall	28 August 2019	N/A

Indus Consolidated Pty Limited

Company Name	Indus Consolidated Pty Limited (Administrators Appointed)
ACN	630 577 641
ABN	32 630 577 641
Date of Incorporation	13-Dec-18
Registered Office & Principle Place of Business	19-21 Casino Street Welshpool WA 6106
Director	John Howarth
Authorised and Issued Share Capital	1 Redeemable Preference Share Fully Paid
Paid up Shares	\$1.00
Shareholders	615 315 421 Remagen Finance & Leasing Pty Limited - 1 Held

5.4 Group Structure

Below is an organisational chart of the Indus Group. Indus Mining Services is a wholly owned subsidiary of Indus Consolidated and Indus Mining Services’ ultimate parent is Remagen Finance and Leasing.



Entity	Roles/Activities
Remagen Finance and Leasing	Ultimate Shareholder of the Indus Group
Indus Consolidated	Holding Company and party to Finance Facility Agreements
Indus Mining Services	Operating Business

5.5 Registered Security Interests

The Personal Property Securities Register (“PPSR”) is a public register of all registered security interests.

A search of the Personal Property Securities Register (“PPSR”) revealed 873 security interests registered by 62 parties. A summary of the secured parties as at the date of our appointment is attached as **Annexure B**.

Following appointment, the Administrators issued a circular to all entities that had a registered security interest. A response has been received from most parties clarifying their interest.

The Administrators are continuing to liaise with supplier parties that held validly registered security interests in respect to inventory or machinery to determine the value and quantum of their claims, subject to their PMSI security interest. Any parties with invalid security interests were advised of same as part of this process.

Once the security position was agreed with each of these suppliers, the Administrators entered into commercial discussions to:

- pay for inventory and machinery subject to the security interest;
- returned stock or machinery that was not required;
- entered into consignment agreements; or
- entered into revised leasing agreements.

The Administrators took these actions to facilitate ongoing trading, maximise realisations of the balance of inventory and manage expenses for ongoing leasing agreements that were not subject to a security interest.

5.6 General Security Agreement

The following parties have registered General Security Agreements over the Indus Group:

- 1) One Corporate Trust Services Limited – the security interests held by this secured creditor secure repayment of amounts owing to the Lenders under, amongst other agreements, the Syndicated Loan Note Subscription Agreement – Project Greyjoy dated 21 December 2018; and
- 2) Toyota Finance Australia Ltd – GSA is a master fleet agreement (“MFA”) over any vehicle they have leased/financed; 16 Vehicles have been identified as potentially being subject to the MFA.

5.7 Vendor Loan Terms & Conditions incorporating the Distribution Policy Deed (“together VLA”)

The VLA, amongst other things, records the nature of the Vendor Loan, provisions for the payment of the Vendor Loan, and associated matters.

Contingent in nature

As a result of the insolvency of the Indus Group, Indus Consolidated must not make, and is under no obligation or liability to make, any repayment, prepayment or other payment to JJM in respect of the Vendor Loan until the ‘Senior Debt Discharge Date’ and even then subject to various conditions.

Consent matters

The VLA includes the following consent rights in favour of the VLA holder, which require the VLA’s prior consent in writing which cannot be unreasonably withheld or delayed:

- Enter into or make arrangements to enter into any related party transaction (within the meaning set out in the Corporation Act);
- Enter into or make arrangements to enter into any transaction where there is an actual, potential or perceived conflict of interest;

- Dispose of or make arrangements for the disposal of , which when aggregated with each other disposal at any time either:
 - Is of shares attributed to more than 50% of the share as held in the business; or
 - Is of asset which are more than 50% of the asset (in value at that time); and
- Any increase in the amount of the 'Senior Debt' (which includes the secured debt owed by the Indus Group pursuant to the Syndicated Loan Note Subscription Agreement – Project Greyjoy).

The ability of the Indus Group to increase the secured debt and the potential compromise of the Vendor Loan appear to have been key issues impacting on the ability of the Indus Group to obtain further funding as discussed further in the investigations section below.

6. Historical Financial Performance

The Administrators have been provided with the Indus Group's unaudited financial statements or management accounts for the following periods:

- Financial years ended 30 June 2017 ("FY17"), 2018 ("FY18") and 2019 ("FY19"); and
- Year to date, being 1 July 2019 to 23 October 2019 ("YTD 20") from the Indus Group accounts system and three way model in excel.

Review of the accounting and purchase order process, indicated that there may be some delay between the receipt of supplier invoices and their allocation to the aged payables ledger. This is not unusual in a project business where timing differences between completion of work and approval for payment can vary.

6.1 Profit and Loss

The profit and loss statements for the Indus Group are summarised below for the following periods:

- FY16A: Financial Year end 30 June 2016 (12 months);
- FY17A: Financial Year end 30 June 2017 (12 months);
- FY18A: Financial Year end 30 June 2018 (12 months);
- FY19A: Financial Year 2019 (6 months ending 31 December 2018)
- FY19A: Financial Year 2019 (6 months ending 30 June 2019); and
- FY20A: Financial Year 2020 September Year-to-date (3 months).

Indus Group (Administrators Appointed)						
Profit and loss (June Year-End)						
\$000's	FY16A	FY17A	FY18A	FY19A	FY19A	FY20A
	12m June 16	12m June 17	12m June 18	H1 Dec 18	H2 June 19	YTD Sept
Revenue	166,497	148,429	81,337	54,090	31,667	9,250
COGS	(139,239)	(119,589)	(71,648)	(52,812)	(26,344)	(6,242)
Gross profit	27,258	28,840	9,689	1,278	5,323	3,007
Salaries & wages	(9,573)	(9,327)	(9,950)	(3,631)	(2,920)	(861)
Head office overheads	(2,152)	(1,841)	(2,327)	(1,091)	(1,612)	(788)
EBITDA	15,533	17,673	(2,588)	(3,445)	790	1,358
Interest expense	(2,772)	(821)	(571)	(19)	(4,390)	(2,057)
Depreciation	(10,692)	(9,854)	(4,501)	(1,910)	(1,241)	(317)
NLBT (pre abnormal)	2,069	6,998	(7,659)	(5,374)	(4,840)	(1,016)
Abnormal items	(31,697)	0	(41,002)	32,717	(3,940)	(4,600)
NLBT (post abnormal)	(29,628)	6,998	(48,662)	27,344	(8,780)	(5,616)
Tax	0	0	0	0	0	0
Net profit/(loss)	(29,628)	6,998	(48,662)	27,344	(8,780)	(5,616)
Ownership	Watpac	Watpac	Watpac	Watpac	Remagen	Remagen
Key Metrics						
Gross margin (%)	16%	19%	12%	2%	17%	33%
NPBT (before abnormal) %	1%	5%	-9%	-10%	-15%	-11%
NPBT (after abnormal) %	-18%	5%	-60%	51%	-28%	-61%
EBITDA %	9%	12%	-3%	-6%	2%	15%

We provide the following comments regarding the profit and loss statements above:

- Revenue decreased 10.85% from \$166.50m in 2016 to \$148.43m in 2017, then fell a further 45.16% to \$81.34m in 2018. The significant drop in revenue appears to be related to an inability to win new contracts of sufficient size to replace completed projects;
- Gross Margins stayed relatively consistent between 2016 to 2018 averaging 15.66%. The first half (6 months) of FY19 saw margins drop to a low of 2% due to reduction in project work to hand. Margins improved to 17% in the second half (6 months) of FY19, in line with prior years margins. September YTD Management Account reflect a gross margin of 33%;
- Salary and Overhead cost through to June 2018 averaged circa \$1.0m per month. Following the sale of the business in December 2018, a cost reduction program was implemented and combined with the closure of the Civil Contracting business reduced the monthly cost run rate to c\$0.75m per month;
- Interest costs post December 2018, reflected the financing structure implemented as part of the sale with included a \$41.5m Term Loan and a \$13m Working Capital Facility;
- The change in depreciation over the periods reflects the reduction in the overall value of the plant and equipment owned by the business; and
- Abnormal items incurred in the past 9 months include redundancy costs (\$1.7m), Asset impairment charges (\$4.8m) and restructuring costs (\$1.7m).

6.2 Balance Sheet

The Balance Sheets of the Indus Group as at 30 June 2017, 2018, 2019 and 30 September 2019 are summarised below:

It is important to note that the balance sheet pre December 2018, reflects the business under the ownership of Watpac Limited, where a centralised Treasury function was operated. The balance sheet post 21 December 2018 reflects ownership post the sale.

Indus Group (Administrators Appointed)							
Balance Sheet							
\$000's	Item	Jun-16	Jun-17	Jun-18	Dec-18	Jun-19	Sep-19
		Actual	Actual	Actual	Actual	Actual	Actual
Assets							
Cash	1	(7)	1	1	(5)	963	2,701
Debtors	2	30,647	37,219	3,478	2,379	5,230	2,925
WIP	3	6,602	5,819	5,483	(247)	(786)	569
Inventory	4	14,214	14,714	0	3,654	5,189	2,085
Fixed Assets	5	104,886	99,400	72,308	75,240	63,430	57,810
Other assets	6	0	215	50	110	469	317
		156,342	157,368	81,319	81,131	74,495	66,407
Liabilities							
Trade creditors	7	(1,531)	(4,509)	(801)	(993)	(769)	(2,056)
Employee entitlements	8	(533)	(525)	327	(2,115)	(1,179)	(1,051)
Working capital facility	9	0	0	0	0	(8,715)	(8,926)
Term Loan	10	0	0	0	(40,286)	(39,329)	(36,149)
Vendor Loan	11	0	0	0	(7,435)	(7,435)	(7,435)
Deferred Tax Liability		0	0	0	0	0	0
Watpac Funding		(108,378)	(101,261)	(119,549)	0	0	0
Other liabilities	12	(46,206)	(44,596)	(3,109)	(681)	(680)	(0)
		(156,648)	(150,891)	(123,132)	(51,509)	(58,107)	(55,617)
Net assets		(306)	6,477	(41,812)	29,621	16,389	10,790
Equity							
Issued Capital		0	0	0	10,000	10,000	10,000
Other net equity		(306)	6,477	(41,812)	19,621	6,389	790
Equity		(306)	6,477	(41,812)	29,621	16,389	10,790

We provide the following comments regarding the material issues identified from the Balance Sheets above:

1. **Cash** – included cash on hand and cash at bank.

Cash stayed low and occasionally negative prior to December 2018 reflecting the fact Watpac operated with central treasury function that controlled receipts and payments. Following the sale of the business in December 2018, Indus operated its own bank accounts with the movements across 2019 reflecting trading results, investment in working capital, fixed asset sales and the drawn downs from the Secured Debt Facility. As at appointment the cash balance was circa \$2.4m;

2. **Debtors** – primary comprises of Trade Receivables

The movement in debtors has largely reflected the changing profile of revenues as detailed above. At the appointment of the Voluntary Administrators, debtors totaled \$1.6m. Over half of this balance has been recovered and applied to the Working Capital facility with the remaining debtor balance in negotiations or agreed payment timelines;

3. **WIP (Work in Progress)** – the estimated value and timing of work undertaken on each particular as per contractual arrangements in place. The contract terms for the Battler Project include accumulation of WIP until production expected in February 2020;

4. **Inventories** – comprised of stock on hand and consumables used in service and maintenance of assets which are held at project sites and the Welshpool yard;

5. **Fixed Assets** – primarily comprises of Plant and Machinery. During the 2019 calendar year Plant and Equipment with a Written Down Value of \$17.4m was sold with net proceeds of \$12.194m realized. Of the proceeds released \$10.56m was used to repay Secured Debt and the balance was retained in the business to fund operations. The secured creditor has registered security interests over all of the Plant and Equipment. Graysonline has been engaged by the Voluntary Administrator to prepare an independent valuation of the Plant and Equipment as at the date of the appointment that is expected to be received as soon as possible;

6. **Other Assets** – comprised of largely of prepayments;

7. **Trade Creditors** - primarily comprised of unsecured creditors which have supplied goods and services to Indus for general business purposes. The balance also includes amounts owed to the ATO;
8. **Employee Entitlements** – comprised of Annual Leave, Long Service Leave and Sick leave accrual for each employee. At part of the Voluntary Administration process, total entitlements including PILN and Redundancy have been calculated, with the current estimate being \$2.5m, which remains subject to the ongoing review and verification;

The increase in Employee Entitlements occurred as part of the change in ownership in December 2018 to reflect the actual entitlements of staff working with the business;
9. **Working Capital Facility** – a secured loan to the Indus Group by the Lenders for the purpose of short term working capital requirements. The loan was drawn to \$10m at the date of the VA appointment;
10. **Term Loan** – a secured loan provided to the Indus Group by the Lenders to fund the acquisition of Indus Mining Services from Watpac in December 2019. During 2019, \$10.56m from the sale of Plant and Equipment was used to pay down the Term Loan. The movement in the loan between December 2018 and September 2019 does not only reflect the debt repayments as the facility includes an establishment fee and for part of the monthly interest charge which was capitalised. The loan was drawn to \$36.5m at the date of the VA appointment;
11. **Vendor Loan** – As part of the acquisition of Indus Mining Services from Watpac an \$18.5m Vendor Loan with JJM was put in place. In the books and records of the Indus Group, the Vendor Loan was recorded at \$7.4m, reflecting repayment in 5 years and a discount rate of 20%;
12. **Other Liabilities** – The balance pre December 2018 largely reflect Intercompany loan with Watpac Limited because as detailed above, Watpac utilised a centralised Treasury function to management all receipts and payments. This appears to be the Watpac working capital funding provided via loan.

7. Company's Business, Property, Affairs and Financial Circumstances

Under Section 438B of the Act, the Director is required to provide the Administrators with a Statement of the Indus Group's Business, Property, Affairs and Financial Circumstances which is also referred to as a Report on Company Activities and Property ("ROCAP").

The ROCAP represents the Director's assessment of the asset and liability position of the Indus Group on a book value ("BV") and estimated realisable value ("ERV") basis.

The ROCAP was required to be submitted within five business days of appointment, being 30 October 2019. The Director requested an extension of time to submit the ROCAP on 7 November 2019 on the basis that the Indus Group accounting team had been providing assistance with the ongoing trading of the business and had not been able to provide the documentation required for him to complete the ROCAP.

The Administrators granted the extension of time the ROCAP's. The ROCAPs were subsequently received and lodged with ASIC on 12 November 2019. Below are summaries respectively of each ROCAP.

The Former Directors Indus Group entities that have resigned in the past 6 months have also been requested to complete ROCAP's for the relevant entity.

7.1 ROCAP - Indus Mining Services Pty Ltd

As per the above, the IMS ROCAP is summarised below:

IMS Summary of ROCAP			
A \$000's	Note	Book Value	Directors ERV
Circulating Assets:			
Cash at Bank/Hand	1	2,701.00	2,701.00
Inventory	2	2,085.00	2,085.00
Trade Debtors	3	1,673.63	1,673.63
Other Assets	4	886.00	886.00
Total Assets not Charged		7,345.63	7,345.63
Less: Priority Employee Entitlements	5	2,693.10	2,693.10
Available to Secured Creditors		4,652.54	4,652.54
Non Circulating Assets:			
Plant and Equipment	6	57,810.00	57,810.00
Less Amount Owing to Secured Creditors	7	45,075.00	45,075.00
Available to Unsecured Creditors		17,387.54	17,387.54
Creditors:			
Unsecured Creditors	8	14,739.80	14,739.80
Contingent Assets/Liabilities	9	7,434.74	-
Total Unsecured Claims		22,174.54	14,739.80
Surplus/(Deficiency) to Shareholders		(4,787.00)	2,647.73

Source: Director ROCAP

7.1.1 Cash at Bank

IMS held cash at bank of \$2,535k at appointment in a NAB bank account and \$165k in a NAB term deposit account as part of the Indus Group corporate credit card facility.

The Administrators utilised circa \$1.4m of the funds available before agreeing to the Secured Creditor's right to consolidate the accounts as part of the funding arrangements. The Secured Creditor subsequently froze the NAB account pursuant to their security rights.

7.1.2 Inventory

The ROCAP shows a book value of inventory of \$2,085k based on the books and records at 30 September 2019. The Director has estimated the realisable value of the inventory at \$2,085k on the basis that it will be utilised during the trading period.

7.1.3 Trade Debtors

Trade Debtors totalling \$1,673k was disclosed comprising 5 debtors at the date of appointment.

To date, the Administrators have collected 3 of the debtors of almost \$1m and are in discussions with the remaining debtors regarding payment and resolution of any disputes or other claims.

Debtor recoveries are applied against the Secured Creditors working capital facility as per their rights under the security agreement.

7.1.4 Other Assets

Other Assets have a book value of \$886k consisting of the following:

Other Assets	Directors ERV
\$A'000	
Work In Progress	569.00
Prepayments	317.00
Total	886.00

The above asset recoverability is being reviewed; however, we make the following comments:

- 1) Work in Progress is recoverable as the Contracts complete or on monthly invoicing, the Administrators have been working through the issues at each site to attempt to make this possible or verify the value where payments will be made in the future; and
- 2) Prepayments largely relate to insurance and are unlikely to be recovered.

7.1.5 Priority Employee Entitlements

The Director’s estimate of outstanding priority employee entitlements of \$2,693k is based on initial calculations provided by the Indus Group management team.

The table below provides a summary of the initial estimated employee entitlements determined by the management of the Indus Group.

Priority Entitlements	Directors ERV
\$A'000	
Unpaid Wages	-
Superannuation	-
Annual Leave	463.28
Long Service Leave	416.06
PILN	761.96
Redundancy	1,051.79
Total	2,693.09

This is only an estimate, the Administrators are continuing to review the Employee entitlements as part of the Administration process and believe that the amount owing is between \$2.4m to \$2.5m.

Employees hold statutory priority over:

- The ordinary unsecured creditors of the Indus Group for unpaid wages, superannuation contributions, annual leave and any other entitlements pursuant to Section 556 of the Act; and
- Creditors with a registered circulating security interest pursuant to Section 561 of the Act.

As disclosed to employees, in the event that there are insufficient funds realised to meet outstanding entitlements, the Fair Entitlements Guarantee (“FEG”), previously the General Employee Entitlements and Redundancy Scheme (“GEERS”), operates to provide a certain level of funding or assistance for these entitlements upon the Indus Groups liquidation (if applicable).

Eligible claims for assistance under FEG has the following maximum limits:

- Up to 13 weeks unpaid wages;
- Unpaid annual leave and long service leave;
- Up to 5 weeks unpaid payment in lieu of notice; and
- Up to 4 weeks unpaid redundancy entitlement per full year of service.

Notwithstanding, the indemnity structure implemented with the Secured Creditor provides for the payment of all pre-appointment entitlements.

7.1.6 Plant and Equipment

The ROCAP discloses P&E with a book value of \$57,810k.

The Secured Creditor holds a first ranking ALLPAP over all the assets of the Indus Group. Any realisations from the assets, are currently being used to reduce the secured amount owing to the Secured Creditor.

As the major asset, the Administrators are conducting a valuation of plant and equipment across almost 30 sites. The valuation is expected to be received by the creditors meeting; however, the previous valuation completed in November 2018 identified a value of \$54.7m on an Orderly Liquidation Value basis.

Since that valuation there have been realisation of equipment of circa \$12m (\$17m at book value) and further wear on the major plant. As such, the estimated recovery of book value of equipment appears optimistic. The level of optimism will be confirmed when the valuation is received.

For more information regarding a surplus from the realisation of secured assets, refer to the DOCA proposal.

7.1.7 Secured Creditor

The ROCAP identifies a balance of \$45,075k owing to the Secured Creditor. The Secured Creditor has placed 742 PPSR registrations over the individual assets of the Indus Group and a first ranking ALLPAP over the Indus Group.

To date, no issues have been identified with the validity of the security interests asserted by the Secured Creditor.

Further, the circulating asset priority issue was resolved by the Secured Creditor agreeing to provide:

- An indemnity for employee entitlements of \$2.4m; and
- Funding for the Administration including the costs of Administration of up to \$5.7m.

Effectively, the funding agreement meant that the priority employee claims and Administrator costs position was preserved or improved.

7.1.8 Unsecured Creditors

The ROCAP identified unsecured claims totalling \$14,739.80k; however, initial current unsecured creditors identified is \$2.66m, as summarised below:

Unsecured Creditors \$A'000	Directors EV	Current EV
Trade Creditors	2,661.80	
Related Party Loans	12,078.00	-
Total	14,739.80	-

The final balance of unsecured creditors is subject to adjudication of any proof of debts received.

The expected value of unsecured claims in IMS is over \$3m and may be as high as \$4.7m. This increase on book value appears due to addition of:

- Invoices for services for September 2019 and earlier not included in the payables at 30 September 2019;
- Creditors to 23 October 2019 and earlier, that had not been approved or added; and
- Other claims that crystallise at appointment of an Administrator such as landlord and contract claims.

Further, the final quantum of creditor claims will also be impacted by ransom entitlements, PPSR claims and commercial arrangements during the Administration period.

As such, we have considered a potential variance between \$3.5m and \$4.5m in claims for creditors to consider potential outcome of the IMS DOCA proposal.

7.1.9 Contingent Assets & Liabilities

A written down value of the Vendor Loan, being a reduction from \$18.5m reflecting amortisation and accrual is included as a contingency liability.

7.2 ROCAP – Indus Consolidate Pty Limited

As per the above, the IMC ROCAP is summarised below:

A \$000's	Note	Book Value	Directors ERV
Circulating Assets:			
Other Assets	1	12,078.00	12,078.00
Total Assets not Charged		12,078.00	12,078.00
Less: Priority Employee Entitlements		-	-
Available to Secured Creditors		12,078.00	12,078.00
Non Circulating Assets:			
Plant and Equipment		-	-
Less Amount Owing to Secured Creditors	2	45,075.00	45,075.00
Available to Unsecured Creditors		(32,997.00)	(32,997.00)
Creditors:			
Unsecured Creditors		-	-
Contingent Assets/Liabilities	3	7,434.74	-
Total Unsecured Claims		7,434.74	-
Surplus/(Deficiency) to Shareholders		(40,431.74)	(32,997.00)

Source: Director ROCAP

7.2.1 Other Assets

Other assets have a book value at \$12,078k which is an intercompany loan to Indus Mining Services. Subject to the outcome of the VA process, this asset is likely unrecoverable.

7.2.2 Contingent Assets & Liabilities

The Director has advised that the Books and Records show a contingent loan to J.J. McDonald & Sons Sub-Holdings Pty Ltd valued at \$7,435k; however, the records recorded that this loan is not due and payable. The ERV value represents an assessed value of \$1.

Further detail of the above, regarding the Vendor Loan was provided in Section 5.

8. Reasons for Failure

The reasons for failure from previous discussions are listed below:

- Lack of available working capital and an inability to win new contracts; and
- Being unable to raise new capital, as either debt or equity to fund future operations.

8.1 Further Reasons for Failure

In addition to the above issues, other issues identified in the initial review and investigations are:

- Inability to resolve Vendor Loan issue, discussed further below;
- Working capital funding requirements that were unable to be met; and
- Inability to continue to meet payment obligations through working capital shortfall.

9. Administrators Trading/Receipts & Payments

During the Administration period the Indus Group has continued to trade. A summary of the Administrators receipts and payments to 15 November 2019 for IMS (IMC has remained dormant) is summarised below:

Indus Mining Services Pty Ltd (Formerly Indus Civil and Mining Pty Ltd) (Administrators Appointed)	24 October 2019 to 15 November 2019
Receipts and Payments	
Opening Balance	-
Receipts	
Cash at Bank	2,337,731.33
Sales	200.00
Plant & Equipment Realisations	697,950.00
Pre-appointment Debtors	943,850.49
Bank Interest	1,437.15
Secured Creditor Funding	1,517,942.29
Pre-appointment Asset Sales	397,347.50
Total Receipts	5,896,458.76
Payments	
Purchases	161,036.81
Fuel	111,500.00
Expert Fees	179,220.31
Asset Sale Commission	66,151.25
Equipment Hire	135,373.00
Insurance	4,400.00
Commercial Rent	164,780.40
Repairs & Maintenance	47,047.09
Superannuation	29,212.52
IT and Software	108,723.05
Transport	77,938.32
Wages & Salaries	243,767.74
Subcontractors	12,807.30
Other Employee costs	34,273.43
PPSR Settlements	138,824.39
Remittance of Pre-appointment Debtors to Secured Creditor	926,690.49
Remittance of Asset Sales to Secured Creditor	965,696.25
Remittance of Funds to Secured Creditor Pursuant to Bank Account Control Deed	2,280,434.12
Government Charges	904.60
Meeting Room	797.50
Data Room Hosting Fees	2,744.50
Petty Cash	2,000.00
PAYG	110,388.00
Bank Charges	598.34
Total Payments	5,805,309.41
Balance on Hand	91,149.35

The above does not include Administrators purchase orders or accruals; however, these are expected to met via drawdown under the funding arrangement with the Secured Creditor to settle invoices when approved, due and payable. A further drawdown of over \$1m was made on 18 November 2019 to meet wages and other liabilities.

10. Administrators Investigations

The Administrators have reviewed a number of issues relevant to the position of the Indus Group aside from the normal insolvent trading and voidable transaction aspects.

The summary below is provided for creditors to understand some of the background of the recent months and issues outside the operations of the business that impact the Administrators review of potential recoveries.

The major relevant matters identified as summarised in the following sections:

10.1 Disputes with Watpac

Review of legal correspondence indicates a dispute with Watpac regarding sale obligations arising from June 2019 onwards.

The inability to resolve this dispute appears to have been relevant to the subsequent appointment of administrators to the Indus Group (ie as it impeded the Indus Group's ability to increase its Working Capital Facility or attract other funding to support its cashflow).

10.1.1 Indus claim on JJM in relation to breaches of Seller's Warranties

On 3 June 2019, the previous lawyers for the Indus Group, Corrs Chambers Westgarth (**Corrs**), issued a Notice to JJM under clause 19 of the SSPD in relation to events giving rise to Claim for breaches of Seller's Warranties.

The notice event relates to the Northern Star contract where a Tender was submitted by Indus Group in early November 2018. If won, the contract value was circa \$34m and was projected to enable Indus to retain a profit of 10.7% of the value of the Contract and free cash flow of circa \$7.5m

The Notice contained various allegations of breach of warranty relating to the loss of the Northern Star contract and asserted associated losses of over \$20 million.

In subsequent correspondence, the solicitors for JJM (Herbert Smith Freehills) denied all allegations and made allegations of breach of contract by Indus Consolidated, including relating to the replacement of bank guarantees and insurance bonds, the provision of monthly reports, accession of Indus Mining to the VLA and DPD and the disposal of assets without JJM's consent. The Indus Group denied these allegations.

Accordingly, there were material issues in dispute between the Vendor and Purchaser regarding the sale, particularly regarding Vendor disclosures and post-sale obligations of the Purchaser.

This dispute remained unresolved as at the date of appointment of Administrators and appears to have some impact in the further discussions regarding funding of the business that is discussed further below.

10.1.3 September / October 2019 Negotiations

As a number of contracts finished and were not replaced, access to the working capital funding facility reduced and the operating costs of the Indus Group's business were unable to be materially reduced to match the reduced turnover.

As such, the business forecast a potential funding shortfall from September/October 2019 to between December 2019 and February 2020 of circa \$6m to \$10m ("the **funding shortfall**") depending upon timing and/or the actual costs incurred.

Basically, the costs of the business needed to be met until potential future contracts were able to be won, profitable work began and revenue was being received.

Reduction of the cost structure of the business may have been possible to reduce the funding requirement; however, that reduction required funding for redundancies and/or exit costs for leases and other arrangements that was not available.

Once this position became evident, a turnaround expert was sourced to assist with managing the issue and the new Director, Mr Jon Howarth was engaged/appointed to review and attempt to navigate through the funding requirements.

Mr Howarth was not involved in the sale structure and was independent of the Lenders and therefore could discuss the funding issues with the Lenders and JJM without the baggage of the sale disputes.

The following process was implemented as part of the strategy;

1. Independent lawyers (King & Wood Mallesons) engaged by the Indus Group;
2. An Independent review of the available options for the Indus Group was conducted by HLB Mann Judd (as disclosed previously);
3. The Indus Group contacted Watpac and the Lenders to discuss the terms for provision of funding to meet some or all the funding shortfall; and
4. Funding from the Secured Creditor was arranged to meet liabilities while these discussions with Watpac and the Lenders were conducted.

There were rounds of correspondence regarding the requirements for funding that are summarised below:

1. Commencing 18 September 2019, the Indus Group requested that in order to address the funding shortfall, Lenders agree to increase the Working Capital Facility limit from \$13m to \$23m and to retain up to \$2m of Net Proceeds from the sale of Surplus Assets;
2. The Lenders agreeing to upsize the Working Capital Facility to resolve the funding shortfall, but only if the Vendor Loan was able to be consensually compromised (ie written off) because otherwise any long-term upside from a turnaround of the Indus Group would need to be shared with JJM, despite the Lenders being the ones risking their capital in providing further funding to the Indus Group;
3. There was subsequently correspondence between the Indus Group and JJM concerning the terms on which JJM may be prepared to compromise the Vendor Loan. The Indus Group noted to the effect that:
 - a. the additional funding from the Lenders was necessary to deal with the funding gap;
 - b. in any insolvency of the Indus Group the Vendor Loan was not repayable before the secured debt to the Lenders was repaid in full and JJM could expect a dividend of between 0 and 3 cents in the dollar;
 - c. even in a solvent scenario, in order for the Vendor Loan to be repaid within its 5 year term, the Indus Group would need to generate turnover of circa \$2.9 billion and EBITDA of \$235 million. Creditors should appreciate that this is significantly larger than the Indus Group's current order book with significant further investment and optimistic assumptions required to achieve profitability of even one tenth of that level.
4. On 2 October 2019, JJM offered to compromise the Vendor Loan, but still required a payment of several million dollars;
5. This proposal was unacceptable to the Indus Group (which did not have access to sufficient funds to agree to the proposal, even if it was minded to do so). There were further discussions with the Lenders over the period of early to mid-October 2019 with the Lenders. Following those discussions, the Lenders confirmed their position that they were not in a position to agree to the terms that JJM had proposed to compromise the Vendor Loan;
6. Separately, we had been engaged to perform a cashflow review and to consider the implications of the prospective appointment of administrators to the Indus Group;
7. During that period, the Lenders agreed to provide limited additional funding to the Indus Group during October 2019:
 - a. the Working Capital Facility remained available to Indus Group with a further \$1.0m drawdown in October 2019; and
 - b. on 3 October 2019, consented to a further AUD\$1m of Net Proceeds from the sale of Surplus Assets to be retained by the Indus Group to fund operations.

8. On 23 October 2019, the Director appointed the Administrators to the Indus Group.

10.2 Battler Contract Review

The Battler contract is between IMS and Habrok (Battler Pit) Pty Ltd (“Habrok”);

- Habrok’s Directors are the following:
 - (1) Russell Hall (former IMS Director and former CEO);
 - (2) Vahid Haydarie (former IMS Director and current CEO);
 - (3) Mark Logan (former IMS Director and Remagen Finance COO); and
 - (4) Simon Raftery (former IMS Director and Remagen MD).

As such, the Battler contract appears to be a related party contract;

- Review of the terms indicate a payment structure for performance by Indus via a waterfall structure;
- The waterfall structure is unusual; however, it includes provision for recovery of all costs (including those exceeding budget), a margin of 15% of actual costs and potential to share in profits; and
- Full payment is subject to performance of the project, costs involved, the value of the resource produced.

A review of the contract is underway with initial feedback suggesting that recovering of the IMS actual costs and 15 % margin remains likely, subject to reasonable market pricing. The potential profit share position will be clarified by completion of the review.

As such, given the contract position of IMS (limited other ongoing contracts), the Battler Project appears reasonable, subject to:

1. The normal risks of a mining contract;
2. Availability of funding to complete contract; and
3. IMS’s ability to complete the services within the agreed terms.

10.3 Voidable Transactions

Insolvent transactions (Section 588FC)

Insolvent transactions are unfair preferences or uncommercial transactions entered into when a company was insolvent or became insolvent as a result of entering into the transaction.

Our investigations into each aspect is set out below:

Unfair preferences (Section 588FA)

Unfair preferences are transactions where a company transacts with a creditor resulting in that creditor receiving more than the creditor would receive if the transaction were set aside and the creditor claimed the same amount in a liquidation. Unfair preferences paid a company within six months of the relation-back day (the day of the liquidator’s appointment) are void against the liquidator. This timeframe is extended to four years should a related entity be a party to the transaction (s588FE(4)).

The following was reviewed for potential preference transactions in the Indus Mining Services Administration:

1. Bank statements for the previous six months, with particular focus from 1 August 2019 onwards, as the almost all outstanding debts appear to relate to the period from 1 August 2019 onwards;

2. Payment arrangements or structures reflected in payments that resulted in creditors position improving ahead of other creditors; and
3. Consistent, multiple and round payments were also reviewed.

The review identified potential payments to third party creditors and related party creditors in September 2019 and October 2019 that require further review to confirm whether they are potential preference transactions and subject to the outcome of the Administration process.

The quantum of these claims in September 2019 and October 2019 is circa \$41.5k and \$100k respectively. There may be further payments identified in a Liquidation as there is a large volume of further payments, particularly in September 2019; however, they largely appear to relate to the normal payment cycle settling approved invoices for August 2019 and any residual from July 2019.

As such, an initial estimate of potential preference payments is circa \$145k with the strong claims relating to payments from 18 October 2019 onwards, depending upon further investigations being undertaken to determine if there are more potential payments and the strength of the potential claims against those identified.

With the circumstances of this matter, potential creditor defences given the lack of aging of creditors and their continued support close to appointment may make recovery actions difficult, the costs of pursuing the claims are currently assessed as likely to exceed any recovery.

Notwithstanding, further investigation and consideration would occur in a Liquidation. Potential unfair preferences were not identified in the Indus Consolidated investigation as a largely dormant holding company.

Uncommercial transactions (Section 588FB)

Uncommercial transactions are transactions entered into that a reasonable person would not have entered, having regard to the benefits and detriment to the company and to the other parties involved in the transaction. Uncommercial transactions entered into by a company are voidable against the Liquidator if they were entered into within two years of the relation-back day.

Further to the comments above and below, our investigations to date have not identified any uncommercial transactions with regard to both entities.

Unfair loans to a company (Section 588FD)

Unfair loans to a company are loans made to a company where interest and other charges on the loan are extortionate. These transactions can be recovered regardless of when they were entered into as long as they were entered into on or before the winding up begun.

The funding arrangements between Indus Group and Secured Creditor are at interest rates above normal banking rates; however, not unusual for short term facilities for parties unable to obtain finance from traditional sources.

Although at an elevated cost, it is difficult to establish that the loan facility was unfair as:

- The finance structure was part of the sale structure so the sale would not proceed without acceptance and usage of the facility; and
- It is not clear if there were alternatives that were better priced or that would've made a material difference to the position.

A further review of the loan would be conducted in a Liquidation.

Unreasonable director-related transactions (Section 588FDA)

Unreasonable director-related transactions are transactions entered into by a company and a director, close associate of a director, or person on behalf of a director, which a reasonable person would not have entered into. The transaction must be a payment by a company, the transfer of property by a company, or the incurrence of an obligation by a company. These transactions are voidable if they were entered into within four (4) years of the relation-back day.

Our investigations have identified transactions with former directors, particularly the Battler contract discussed above.

Although the transactions are with entities controlled or involving former directors, the transactions appear commercial and potentially beneficial to the Indus Group if the Indus Group can meet its obligations under the Battler contract and other arrangements.

We have not identified any transactions with the current director outside of his engagement arrangement.

As such, we have not identified any unreasonable director related transactions.

Transactions entered into for the purpose of defrauding Creditors (Section 588FE (5))

Transactions entered into for the purpose of defrauding creditors are insolvent transactions entered into for the purpose of defeating, delaying or interfering with the rights of creditors and were entered into within a period of ten (10) years prior to the relation-back day.

Our investigations have not identified any such transactions.

Circulating Security Interest created within six months (Section 588FJ)

Where a circulating security interest is granted by a company within six months of the relation-back day, the security interest is void against the liquidator unless valuable consideration was given or the company was solvent at the time of granting of the circulating security interest.

Our search of the PPSR has not revealed any voidable circulating security interests registered against the Indus Group within six months of the relation-back day.

Agreements to Avoid Employee Entitlements (Section 596AB)

Pursuant to section 596AB of the Act, a person must not enter into a relevant agreement or a transaction with the intention of, or with intentions that include the intention of, preventing the recovery of entitlements of employees of the company or significantly reducing the amount of the entitlements of employees of a company that can be recovered.

Our preliminary investigation has not identified any transactions that may have led to a reduction in the assets available to meet employee entitlements claims.

10.4 Insolvent Trading

Information about possible insolvent trading is relevant to Creditors when making a decision about the future of a company, as directors of a company may only be sued for insolvent trading if the company is in liquidation.

For general information about Insolvent Trading, please refer to the attached information sheet (Annexure C).

Directors' duty to prevent Insolvent Trading (Section 588G)

A director of a company has a duty to prevent a company from incurring a debt when the company is insolvent or becomes insolvent by incurred that debt and there are reasonable grounds to suspect that the company is or would become insolvent (as the case may be).

A director would fail to fulfil that duty if the director was aware of the grounds for suspecting the company is or would become insolvent or a reasonable person in a like position would be aware of such grounds.

The defences available to a director are as follows:

- The director had reasonable grounds to expect, and did expect, that the company was solvent and would remain so; or
- The director had reasonable grounds to believe, and did believe, that a competent and reliable person was providing adequate information to the director and based on that information the director expected the company to be solvent and to remain so; or
- The director did not take part in the management of the company at the time due to illness or other good reason; or
- The director took reasonable steps to prevent the company from incurring the debt.

Balance Sheet Test

The Balance Sheet test assesses the net asset position of a company. A negative net asset position indicates a company may be insolvent, however the more definitive test is the cash flow test.

The table below sets out the yearly, quarterly (3 months) and monthly balance sheet of IMS from calendar year 2016 to the month of September 2019:

Balance Sheet A\$,000	12 Months ending			3 Months ending		Monthly		
	31-Dec-16	31-Dec-17	31-Dec-18	31-Mar-19	30-Jun-19	30-Jul-19	30-Aug-19	30-Sep-19
Current Assets	58,378.92	31,879.17	5,890.83	14,593.34	18,463.37	20,588.72	22,650.82	20,675.13
Non-Current Assets	100,472.85	100,708.54	75,239.70	70,754.19	63,430.18	62,170.11	62,071.22	61,228.75
Total Assets	158,851.77	132,587.71	81,130.52	85,347.53	81,893.55	82,758.84	84,722.04	81,903.88
Current Liabilities	(157,533.38)	(129,286.90)	(3,163.65)	(13,684.66)	(18,179.56)	(20,425.10)	(22,793.83)	(23,711.85)
Non-Current Liabilities	-	-	(48,345.78)	(49,711.07)	(47,325.27)	(46,562.44)	(44,980.78)	(43,983.21)
Total Liabilities	(157,533.38)	(129,286.90)	(51,509.43)	(63,395.73)	(65,504.83)	(66,987.54)	(67,774.62)	(67,695.05)
Net Assets	1,318.38	3,300.80	29,621.10	21,951.80	16,388.72	15,771.29	16,947.42	14,208.83

The information above is contained in the draft management accounts of the Indus Group and has not been verified.

IMS maintained a positive net asset position throughout periods preceding the appointment, subject to impairment of assets and/or liabilities.

The balance sheet of IMC has largely been unchanged since creation in late 2018 as the entity has been dormant. The only movement being intercompany loans with IMS.

Cash Flow Test

The definition of solvency is contained in section 95A of the Act, being:

- "A person is solvent if, and only if, the person is able to pay all the person's debts and when they become due and payable; and
- A person who is not solvent is insolvent"

The Cash Flow Test is applied to determine whether a company is generating sufficient revenues and other income, to realistically settle its debts as they become due and payable. Case law has also identified various indicators of insolvency.

Continuing Losses

A company making ongoing losses over various periods can be used as an indication of a company's insolvency.

Profit & Loss A\$,000	12 Months ending		3 Months ending			Monthly	
	31-Dec-17	31-Dec-18	31-Mar-19	30-Jun-19	30-Jul-19	30-Aug-19	30-Sep-19
Revenue	276,659.34	169,291.88	22,298.95	9,367.73	3,045.33	3,771.85	2,432.50
Expenses	267,182.30	234,425.95	26,842.30	13,604.83	3,315.76	4,208.49	5,171.29
Profit / (Losses)	9,477.04	(65,134.07)	(4,543.35)	(4,237.10)	(270.43)	(436.64)	(2,738.79)

The above indicates and losses in recent periods; however, there were some profitable periods in early 2019. Notwithstanding, this is indicative of a business struggling to generate sufficient revenue to meet its cost structure.

Current Ratio & Working Capital

The current ratio compares a company's current assets to its current liabilities and is designed to examine a company's ability to access funds in the immediate to short term from 'Liquid' assets to pay liabilities that are due and payable. A ratio less than 1.0 indicates a company may be unable to fund short term debt from current assets.

The table below sets out the yearly, quarterly (3 months) and monthly current ratio of IMS from calendar year 2016 to the month of September 2019.

Balance Sheet A\$,000	12 Months ending			3 Months ending			Monthly	
	31-Dec-16	31-Dec-17	31-Dec-18	31-Mar-19	30-Jun-19	30-Jul-19	30-Aug-19	30-Sep-19
Current Assets	58,378.92	31,879.17	5,890.83	14,593.34	18,463.37	20,588.72	22,650.82	20,675.13
Current Liabilities	(157,533.38)	(129,286.90)	(3,163.65)	(13,684.66)	(18,179.56)	(20,425.10)	(22,793.83)	(23,711.85)
Net Current Assets	(99,154.47)	(97,407.73)	2,727.18	908.68	283.81	163.62	(143.01)	(3,036.71)
Current Ratio	0.37	0.25	1.86	1.07	1.02	1.01	0.99	0.87

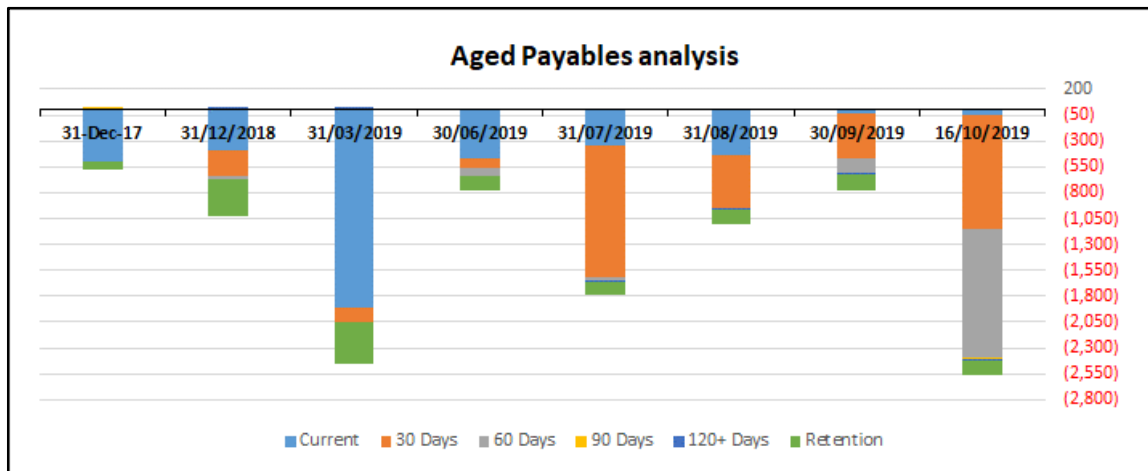
The information above is contained in the draft management accounts of the Indus Group and has not been able to be verified.

IMS maintained a ratio above 1.0 throughout the periods following the purchase of the business in December 2018. The current ratio fell below 1.0 at 30 August 2019 and deteriorated further in September 2019 indicating that further funding or equity was required to meet liabilities.

Creditor Payments & Ageing

Aged payable review involves an analysis of whether a company was paying its debts within terms and, if not, how many days the company was outside of terms.

Review of the creditor aging for IMS over recent periods indicates that aged payables fluctuated with major contract work periods. It appears when works began on projects the number of invoices (payables) outside of terms increased then reduced or stabilised once revenues or funding were received from counterparties and enabled IMS to settle the payables.



The increase in payables in October 2019 appears to relate to the increased activity in August and September 2019 on the Battler Project and final expenditure to complete other projects, including Perron Quarry.

The above does not indicate an extended period of trading where debts were not settled within terms, with the majority of debts settled within reasonable terms of 30 to 60 days, until a significant increase in debts in the 60 days category between 30 September 2019 and 16 October 2019 the period immediately prior to appointment.

Cash Balance

Further to the analysis above, below is a summary of cash available for creditor payments for comparison with the aged payable levels.

Cash Balance Summary	12 Months ending			3 Months ending			Monthly			
	31-Dec-16	31-Dec-17	31-Dec-18	31-Mar-19	30-Jun-19	30-Jul-19	30-Aug-19	30-Sep-19	16-Oct-19	23-Oct-19
Total Cash	8.41	90.07	- 4.88	1,174.66	963.32	2,145.61	2,346.34	2,700.67	2,534.67	2,336.94
Less: Term deposit	-	-	-	(165.00)	(165.00)	(165.00)	(165.00)	(165.00)	(165.00)	
Total Cash available	8.41	90.07	- 4.88	1,009.66	798.32	1,980.61	2,181.34	2,535.67	2,534.67	2,336.94

(Source: Indus Consolidated 3 way model provided by Management and Company bank statements)

The above indicates that the Indus Group held cash in its trading accounts to meet creditor payments following the change in ownership in late 2018.

From early October 2019, it appears that funds were being preserved as it appeared less likely that a compromise on the Vendor Loan issue was possible, that was preventing the implementation of increased funding to meet the expected shortfall. The preservation of assets in a period of uncertainty whilst options are being considered could form part of a

Creditor Demands for Payment and Payment Arrangements

Records have only identified the following demands for payment:

1. During October 2019, the landlords of the Welshpool and Cottesloe (vacated) premises issued demand for payment notices for unpaid October 2019 rent totalling circa \$100k; and
2. Westdrill issued a statutory demand on 18 October 2019 in the amount of \$697,750.52.

A review of the Westdrill demand was conducted and identified the following regarding the claim:

- a) The engagement documents were signed by IMS on 28 July 2019;
- b) Terms were 30 days from invoice. The Indus process appears to have been 30 days from approval unless otherwise arranged;
- c) Works undertaken from late July/ early August 2019 onwards for an expected six week period;

- d) Invoices were issued from 16 August 2019 through to 30 September 2019;
- e) Invoices are not added to IMS aged payables and approved for payment until reviewed and signed off by the site team;
- f) By 18 October 2019, \$490,934.29 of the Westdrill invoices had been approved for payment. Two final invoices, \$140k issued on 17 September 2019 and \$67k issued on 30 September 2019 were approved later;
- g) The Westdrill debt was outside the thirty day terms; however, payment of liabilities outside of 30 days is not unusual in many industries;
- h) Notwithstanding, the demand being issued on 18 October 2019 is a strong indicator of insolvency at or around that date; and
- i) Other issues raised by Westdrill at the first creditors' meetings are discussed below.

Statutory Obligations

Australian Taxation Office

The Administrators' review of the ATO portal indicated that all tax had been paid to the date of appointment with a nil balance shown, although the September 2019 BAS became due on 21 October 2019 for circa \$80k and remained unpaid as at appointment 2 days later. All lodgements due to the date of appointment appear to have been made.

The ATO has been requested to provide copies of all taxation statements, accounts and correspondence in respect of the Indus Group's taxation affairs following our appointment; however this has not yet been received.

Notwithstanding, it appears that the current statutory obligations to the ATO had only just become overdue by 2 days at the date of appointment from records reviewed to date.

Other Statutory Obligations

Review of other statutory liabilities including Payroll Tax, Superannuation and Workers' Compensation identified that these obligations were in current and in order. There may be some claims for liabilities generated during October 2019 prior to the Administrators' appointment; however, these amounts had not even become due and payable.

Availability of Debt and Equity

As outlined above, the Director was exploring options to obtain further debt to meet working capital obligations through to the appointment of Administrators.

Further funding beyond the amounts detailed below was offered by the Lenders subject to resolution or compromise of the Vendor Loan on acceptable terms. Despite negotiations continuing until early October 2019 regarding a potential compromise, an acceptable compromise was not possible. Therefore the potential facilities to meet the estimated funding shortfall were not available.

Although an increase in facilities was not possible, the Director requested and was provided approval to withhold \$1m on 3 October 2019 and \$1m on 16 October 2019 from secured asset realisations due to be paid to the Secured Creditor, for working capital and payments to trade creditors.

Given the position of the Indus Group there did not appear to be any interest in provision of equity; however, it appears that the Director was able to access further debt to 16 October 2019. Whether the quantum of the amount available was sufficient is another issue.

Summary – Insolvent Trading

Test / Review	Summary / Definition / Implementation
Balance Sheet Test	The balance sheet test assesses the net asset position of Indus Group. A positive net asset position indicates an entity may not be insolvent (subject to the realisable value of the fixed assets in the case of Indus Group); however, the definitive test is the cash flow test.
Cash Flow Test	The cash flow test assesses whether a Company has the ability to realistically settle its debts as they become due and payable. Case law has also identified various factors that form part of this assessment.
Current Ratio/Working Capital Analysis	The current ratio performance compares current assets to current liabilities. A current ratio greater than 1.0 indicates a likelihood that a company is able to satisfy its current liabilities as and when they become due and payable. Consequently, a current ratio less than 1.0 indicates difficulty or potential inability to satisfy their current liabilities when due and payable.
Creditors Ageing	Creditors being paid outside normal trading terms or industry norms is an indicator of insolvency, with a key creditor a strong example; however, there are minimal other examples.
Demands for Payment & Payment Arrangements	Informal and formal demands for payment or payment arrangements are assessed and reviewed as indicate of an entity being unable to pay its debts as and when they fall due. A statutory demand was received from Westdrill on 18 October 2019, five days before the appointment of the Administrators.
Statutory Liabilities	Statutory obligations are generally due and payable at the required lodgement dates. Therefore, non-payment is an indicator of an inability to pay debts as and when they fall due.

The findings of our solvency review of the Indus Group are outlined below:

Test / Review	Summary of Findings
Balance Sheet Test	Net assets were positive throughout the period. As the major asset is non-current plant and equipment at book value, there is potential for a change in the position subject to the accounting treatment and value applied. This is one of the reasons that the cash flow test is the definitive test.
Cash Flow Test	The analysis carried out for the cash flow test is set out below.
Current Ratio/ Working Capital Analysis	The Indus Group current ratio dropped below 1 as at 30 August 2019 and fell further to 0.87 at 30 September 2019 indicating potential solvency issue but is not confirmation.
Creditors Ageing	The Indus Group was able to pay creditors as and when they fell due; however, that was becoming more difficult during October 2019, particularly from 18 October 2019 onwards. .
Creditors Demands for Payment and Payment Arrangements	A statutory demand was received from Westdrill on 18 October 2019, five days before the appointment of the Administrators. This indicates potential insolvency but it's not an event of insolvency until an unresolved/paid demand expires.
Statutory Liabilities	All statutory liabilities appear in order except for the September 2019 BAS that was overdue by 2 days at appointment. Therefore, this would indicate an ability to continue to settle these debts when due to appointment.

Conclusion - Insolvent Trading

The table below is a summary of the Administrators' findings from the insolvent trading analysis:

Factor	Analysis
Key Indicators of Insolvency	<p>The following is a summary of our analysis of Indus Group's insolvency:</p> <ul style="list-style-type: none"> Indus Group received significant funding and continued support from the Secured Creditor through to 16 October 2019 to meet working capital requirements; Indus Group was profitable through some of 2019 until contracts started to end; Indus Group was in a positive asset position until October 2019 including cash in the bank exceeding \$2m at appointment; The majority of creditors, other than related entities, were either current or aged between 1-30 days until October 2019; There were not any informal or formal demands for payment issued to Indus Group until October 2019; Indus Group appeared to be up to date with all statutory lodgements and payment obligations till 21 October 2019; and Most importantly, the Secured Creditor, continued to support Indus Group financially and had not issued demand for payment at any stage.
Date of Insolvency	<p>As a result of the above, the Administrators are of the opinion that the Indus Group may have become insolvent at 18 October 2019; however, this may be earlier subject to identifying an event of insolvency to support same.</p> <p>Further work is required in a liquidation to attempt to identify a specific date of insolvency, the quantum of any claim and the commerciality to pursue a claim given the defences available and costs of same.</p>
Further Investigation & Estimate of Claim	<p>A further review of the Indus Group's insolvency would be undertaken if the Indus Group is placed into liquidation; however, our position is unlikely to change unless conflicting information is identified or received.</p> <p>At present, a claim against the Director for insolvent trading has been assessed as unlikely to have any material value or to be justified to pursue commercially.</p>

Although separate entities, the Indus Group companies are dependent upon each other to settle liabilities. Indus Consolidated was a traditional holding company and dormant aside from funding structures and dealings with the operating company, IMS.

As such, the position of both entities is the same when assessing insolvency. Therefore, a separate analysis of each company has not been conducted.

An analysis of the estimated outcome for creditors of both entities in liquidation is provided below.

Creditor Class	Liquidation		Comments
	Pessimistic (c/\$)	Optimistic (c/\$)	
Priority Creditors	Nil	Nil	Paid under the indemnity
Secured Creditors	Unknown	Unknown	Dependent upon asset realisation outcome
Unsecured Creditors	Nil	Nil	Nil, unless a significant recovery is achieved.

A detailed summary of the estimated Liquidation outcomes are provided as part of the DOCA analysis.

10.5 Director Defences

The Director has advised that he will assert a number of defences to any action or claim including:

- He was adhering with the requirements of a Safe Harbour defence;
- Further funding was sourced to enable the business to trade and meet costs whilst funding options were being explored;
- Once it was clear that a deal with JJM with regards the compromise of the Vendor Loan was not possible, preparations were made to appoint administrators as soon as possible; and
- The Indus Group held funds exceeding \$2m at appointment.

10.6 Other Offences

From a review of the Indus Group's records, the requirements to maintain books and records appear to have been maintained albeit with some difficulty with system operating requirements and timing differences with some processes.

Review of Directors' Duties and Responsibilities

The Director, as with all directors, has statutory obligations regarding his conduct and duties to each of the Indus Group companies. When a company is nearing insolvency, the Australian Courts have found that in exercising this duty, the directors must have regard to the interests of creditors of the company.

We have reviewed the various aspects of these directors' responsibilities and have not identified any of actions that would be considered breaches of directors' duties by the Director.

Notwithstanding, consequences of a breach of duties for the Director in a liquidation could be the following:

- A liquidator pursuing the Director personally for the quantum of any loss suffered by the company arising from the breach of duty;
- ASIC prosecuting the Director for his conduct under a civil penalty provision which could result in a maximum of \$200k;
- ASIC pursuing the Director and obtaining banning orders prohibiting him from managing a company.

Pursuit of any claim against the Director for breach of their duties would:

- Require significant work to be completed by the liquidators of the Indus Group to substantiate any losses suffered by the Company; and
- Likely require significant costs to pursue recovery.

In accordance with section 438D of the Act, a report must be submitted to the ASIC informing them of any possible offences committed by the Director should any be identified during the remainder of the Administration process.

11. Proposed Deeds of Company Arrangement ("DOCA") and Comparison

There are individual DOCA's proposed for each entity. Given the dependence each entity in the Indus Group has on the other, both DOCA's are outlined for creditors of either entity.

11.1 DOCA Proposal – Indus Mining Services

A final DOCA proposal from the lawyers for the Secured Creditors and NewCo 1 on 19 November 2019 (“NewCo IMS Proposal”). It is understood that the DOCA proposal is supported by the Secured Creditor and the Director

The NewCo IMS Proposal was received following earlier proposals and negotiations that resulted in a material improvement in the NewCo IMS Proposal in terms of certainty, return and timing.

The DOCA proposal provides for a gross contribution of \$1m to the Deed Fund made in two instalments payable as follows:

1. \$750k when the conditions present are resolved or waived that is expected in late November 2019 or early December 2019, with a minimum amount of \$200k allocated to the unsecured creditor pool; and
2. A \$250k Deferred Contribution (or another amount agreed) on 30 June 2020 that forms part of the unsecured creditor pool.

11.2 Terms of DOCA

The key terms of the DOCA proposal are summarised below, with further terms provided in the DOCA Term Sheet proposal submitted by NewCo1, attached as Annexure H:

IMS Deed Fund is made of the following:

- (1) Contribution of \$750k made by NewCo1;
- (2) Deferred Contribution of \$250k made by NewCo1;
- (3) Non-Continuing Employee Contribution (discussed further below); and
- (4) Proceeds from Available Property.

Contribution	Timing	Total
Initial Contribution	Within 3 Business Days of the Effective Date	\$750,000 With a minimum of \$200k for unsecured creditors
Deferred Contribution	On 30 June 2020	\$250,000
Non-Continuing Employee Contribution	Within 5 Business Days of receiving written notice from the Deed Administrator confirming the amount of entitlements.	Expected to be approximately \$1,200,000
Proceeds from the sale of Available Property	Subject to Asset Realisations	Subject to Asset Realisations
Total		Circa \$2,200,000 with potential upside

Available Property includes any net surplus available after the payment of the residual secured debt.

- Application of Deed Fund: The Deed Fund is to be applied in accordance with the priorities set out in the Corporations Act as summarised below:
 - (1) Administrators’ Remuneration and Costs;
 - (2) Deed Administrators’ Remuneration and Costs; and
 - (3) Balance available for admitted unsecured creditors.
- Employee Creditors are part of the DOCA but a separate Non-Continuing Employee Contribution will be made to settle the entitlements of any employees that are not continuing with the business and/or proposed Purchaser of the business and operating assets; and

- Excluded Creditors: The related parties of NewCo1 are excluded creditors and will not participate in the DOCA.

IMC Deed Fund is made of the following:

- (1) Contribution of \$100k made by NewCo1; and
- (2) Proceeds from Available Property.

Contribution	Timing	Total
Initial Contribution	Within 3 Business Days of the Effective Date	\$100,000
Proceeds from the sale of Available Property	Subject to Asset Realisations	Subject to Asset Realisations
Total		100,000

Available Property includes any net surplus available after the payment of the residual secured debt.

- Application of Deed Fund: The Deed Fund is to be applied in accordance with the priorities set out in the Corporations Act as summarised below:
 - (1) Administrators' Remuneration and Costs;
 - (2) Deed Administrators' Remuneration and Costs;; and
 - (3) Balance available for admitted unsecured creditors.
- Excluded Creditors: The related parties of NewCo1 are excluded creditors and will not participate in the DOCA.

Sale to Related Party

The DOCA proposal envisages the sale of the majority of the assets of IMS to a "NewCo" to be specifically incorporated by the DOCA proponent for the purposes of the sale.

In respect of the sale, the Administrators note the following:

1. The Administrators are yet to be provided with a draft of the sale agreement and therefore cannot comment on its terms;
2. However, the Administrators have been assured that the sale will be at above market rates. The Administrators will take appropriate steps to ensure that this is the case;
3. The Secured Creditor is expected to 'credit bid' for the assets being sold. That is, the consideration payable under the sale agreement will not involve a cash payment, but rather a reduction in the Secured Debt owing to the Secured Creditor;
4. The sale agreement will enable some of the business of IMS to continue as a going concern;
5. Continuing employees will be offered a new role on identical terms with the "NewCo" and, if this offer is accepted, their employee liabilities will be assumed by "NewCo". As noted in the DOCA proposal, employees who have been terminated (ie are not continuing employees) are to have their priority entitlements paid in full;
6. The administration sale process did not result in any expressions of interest being received for IMS's assets as an alternative to the proposed sale agreement; and
7. If the DOCA proposal is not adopted by creditors, the Secured Creditor may at any time appoint receivers & managers to IMS to perform the sale agreement.

Further details and analysis will be provided at the second meetings of creditors.

11.3 Effect of DOCA's on position of Creditors

Creditor priorities in accordance with statutory provisions are proposed to be maintained.

Based on our analysis and subject to receipt of all required Deed Fund contributions, there is expected to be sufficient funds to pay priority creditors in full, however; any return will be subject to formal adjudication of all creditor claims.

The DOCA's treat all unsecured creditors equally. The estimated return under each DOCA is discussed in further detail below.

11.4 Timing for Return under DOCA's

As outlined in the proposal, the initial contributions to the Deed Fund's are expected in late November or early December 2019 including hopefully the Non-Continuing Employee Contribution for IMS.

Accordingly, a first distribution to IMS priority non-continuing employee creditors may be made in December 2019 or early 2020.

A distribution to IMS unsecured creditors is estimated to be made around mid-2020 to reduce costs, subject to receipt of all funds owing under the IMS DOCA and declaration of a dividend; however, an initial distribution in early 2010 may also be possible.

A distribution to IMC unsecured creditors is estimated to be made in early 2020, subject to receipt of all funds owing under the DOCA and the dividend declaration process.

11.5 Related Party Creditors

All related party creditors, including the Secured Creditor and IMC (for the IMS DOCA) totalling circa \$46m and \$12m respectively are not participating creditors in the IMS DOCA. This increases the return for participating creditors by reducing the creditor pool.

Accordingly, these parties will not participate in the Deed Fund, however; their claims against the Indus Group will not be extinguished by the DOCA.

11.6 Verification of Contributions

The IMS DOCA proposal includes a Deferred Contribution of \$250k in June 2020 to the Deed Fund. This Deferred Contribution is to be made by NewCo1 and failure to make the payment would be grounds for termination of the DOCA.

On the basis of that the funds contributed by that point will be greater than the Deferred Contribution of \$250k. It appears unlikely that the funds will not be received to enable completion and effectuation of the DOCA following a dividend.

The IMC DOCA does not include any specific future or deferred contributions.

12. Estimated Returns in Liquidation and DOCA

Attached at Annexure H is a detailed analysis of the estimated return to creditors and detailed assumptions in each scenario. The table below provides a summary of the estimated return:

Indus Mining Services

Creditor Class	Liquidation		DOCA	
	Pessimistic (c/\$)	Optimistic (c/\$)	Pessimistic (c/\$)	Optimistic (c/\$)
Priority Creditors	97	100	100	100
Secured Creditors	Unknown	Unknown	Unknown	Unknown
Unsecured Creditors	Nil	Nil	9	11

The employee indemnity is expected to resolve any priority creditor shortfall in Liquidation if any.

In summary, the DOCA proposal provides a better, more timely and certain return to creditors than a liquidation scenario. The return is more timely as it avoids delays of legal action to attempt to make recoveries and is certain as funds will be provided in the short term or the DOCA will terminate.

The table below provides a comparative of the potential return for unsecured creditors based on changes to the unsecured creditor pool. The quantum of unsecured creditors is likely to change as ongoing arrangements are finalised and other potential claims crystallise.

Indus Group - Indus Mining Services P/L & Indus Consolidated Ltd (Administrators Appointed)				
Unsecured Creditor Returns	Min			Max
Unsecured Creditor Pool	3,500	4,000	4,500	5,000
DOCA Pool				
- Initial Contribution	200	200	200	200
- Deferred Contribution	250	250	250	250
- Asset Proceeds	<i>subject to realisations</i>			
	450	450	450	450
Creditor Return c/\$	0.13	0.11	0.10	0.09

Indus Consolidated

Creditor Class	Liquidation		DOCA	
	Pessimistic (c/\$)	Optimistic (c/\$)	Pessimistic (c/\$)	Optimistic (c/\$)
Priority Creditors	100	100	100	100
Secured Creditors	Unknown	Unknown	Unknown	Unknown
Unsecured Creditors	Nil	Nil	11	11

There have not been any priority creditors identified, all employees appear to be creditors of IMS as the operating entity.

In summary, the DOCA proposal provides a better, more timely and certain return to creditors than a liquidation scenario. The return is more timely as it avoids delays of legal action to attempt to make recoveries and is certain as funds will be provided in the short term or the DOCA will terminate.

In the event that the DOCA Proposer is unable to comply with the terms of either DOCA, creditors are able to resolve to terminate the DOCA and place the relevant entity into Liquidation.

13. Voluntary Administrators Recommendations

Pursuant to section 439A of the Act, the Administrators must provide a statement setting out their opinion about each of the following options:

- (a) Whether it would be in the interest of creditors for the Indus Group to execute a DOCA;

- (b) Whether it would be in creditors' interests for the administration of Indus Group to end; or
- (c) Whether it would be in creditors' interests for the Indus Group to be wound up,

and to state reasons for that opinion.

There is also an option to adjourn the meeting for up to 45 business days if there would be a benefit to creditors to do so.

13.1 Deed of Company Arrangement

As discussed in Section 11, separate DOCA proposals were received from NewCo 1 supported by the Secured Creditor and Director. The DOCA proposals provide a better, more timely and certain return to creditors of each entity than a liquidation scenario.

In the event that creditors resolve to execute the DOCA's, NewCo 1 fails to comply with the terms of the DOCA (i.e. fails to make the required contributions to the Deed Fund by the due dates), meetings of creditors would likely be called to resolve to wind up the Indus Group. In these circumstances, the liquidators may be able to pursue the voidable transactions identified in Section 10 of this report.

Effectively, if creditors resolved to accept the DOCA proposal, however the DOCA subsequently failed and the Indus Group was placed into liquidation, recoveries in a liquidation may still be possible and creditors would still benefit from any DOCA contributions made, subject to costs.

Accordingly, based on the estimated better, more timely and certain return to creditors under the DOCA proposals, the Administrators recommend that creditors resolve to accept NewCO1's IMS and IMC DOCA proposals summarised in the DOCA Proposal attached as Annexure H.

The Administrators reserve their rights to revise or change their recommendation should further information come to hand prior to the creditors' meetings.

13.1 Administration to End

In our view, the Indus Group is presently unable to pay its debts as and when they fall due and is therefore insolvent. **Accordingly, we do not recommend that the Administration end.**

13.2 Company be Wound Up

The DOCA proposal is projected to provide a better return to creditors than a liquidation.

Accordingly, it appears to be in the best interests of creditors to resolve to accept the DOCA proposal. However; in the event that the Proposer fails to comply with the terms of the DOCA, creditors may resolve to wind up the Indus Group and recovery actions may then become available to the liquidator.

Accordingly, we do not recommend that the Indus Group be wound up.

14. Remuneration

As disclosed in the notice of first meetings, it is intended that the Administrators' Remuneration be fixed on a time basis for the tasks undertaken by the Administrators and their staff and calculated by reference to the Administrators' scale of hourly rates.

Attached to this report as Annexure D are remuneration reports detailing the basis on which we request creditors approve our remuneration for the Indus Group administration.

Below is a summary of actual and prospective remuneration that will be sought by the Administrators at the second creditors meetings scheduled for 27 November 2019:

Total Remuneration Summary			
\$000's	Indus Mining Services	Indus Consolidated	Total
Appointee's Remuneration and Disbursements	\$000's	\$000's	\$000's
Voluntary Administrators' fees (Retrospective)	302.29	22.57	324.86
HLB Mann Judd (Insolvency WA) fees (Retrospective)	1.16	-	1.16
Voluntary Administrators' fees (Prospective)	180.00	15.00	195.00
Voluntary Administrators' disbursements (Retrospective)	26.94	-	26.94
Voluntary Administrators' disbursements (Prospective)	5.00	-	5.00
Total Voluntary Administrators' fees and disbursements	515.40	37.57	552.97
Deed Administrators' fees	80.00	10.00	90.00
Deed Administrators' disbursements	5.00	-	5.00
Total Deed Administrators fees and disbursements	85.00	10.00	95.00
Liquidators' fees	100.00	20.00	120.00
Liquidators' disbursements	5.00	-	5.00
Total Liquidators fees and disbursements	105.00	20.00	125.00

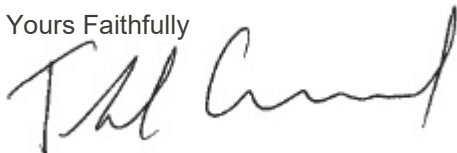
15. Meeting of Creditors

Pursuant to Section 439A of the Act, the second meetings of creditors of the Indus Group is to be held on 27 November 2019 at 11am AWST at the Chartered Accountants Australia & New Zealand premises at 2 Mill St, Perth WA 6000.

Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy must be made in accordance with Form 532. A specific proxy can be lodged showing approval or rejection of each resolution. Proxy forms or facsimiles thereof must be lodged with the Administrators prior to the commencement of the meeting. Where a facsimile copy of a proxy is sent, the original must be lodged with the Administrators within 20 hours after receipt of the facsimile. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairman of the meeting, prior to the commencement of the meeting.

In the event that you have any queries regarding the contents of this report, or the administration in general, please do not hesitate to contact James Scarcella of this office on (02) 9020 4146 or via email at jscarcella@hlbnsw.com.au.

Yours Faithfully



T A Gammel
Administrators



B A Taylor

Encl.

Annexure A

Declaration of Independence, Relevant Relationships and Indemnities

Indus Mining Services Pty Ltd (Formerly Indus Civil & Mining Pty Ltd)
ACN 129 804 968

Indus Consolidated Pty Limited (Formerly Indus Holdco Ltd and Indus Consolidated Ltd)
ACN 630 577 641

(All Administrators Appointed) (Collectively known as the “Indus Group”)

The purpose of this document is to assist creditors with understanding any relationships that the Administrators has and any indemnities or upfront payments that have been provided to the Administrators. None of the relationships disclosed in this document are such that the independence of the Administrators is affected.

This information is provided to you to enable you to make an informed assessment on any independence concerns, so you have trust and confidence in our independence and, if not, can seek to remove and replace us at the first meeting of creditors in accordance with the procedures set down in the *Corporations Act 2001* (Cth) and other applicable law.

This declaration is made in respect of ourselves, our partners, HLB Mann Judd (NSW) (“HLB”) and our staff.

a. Independence

We, Todd Andrew Gammel and Barry Anthony Taylor, of HLB have undertaken an assessment of the risks to our independence prior to accepting the appointment as Administrators of Indus Consolidated Pty Limited and Indus Mining Services Pty Ltd (together described as “**Indus Group**”) in accordance with applicable law and professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

b. Declaration of Relationships

i. Circumstances of appointment

In August 2019, HLB was approached by King & Wood Mallesons (“KWM”) a legal advisor to the **Indus Group** to review and prepare a report addressing:

- the Indus Group’s cash flow forecasts and the reasonableness of the underlying assumptions; and
- contingency planning for a potential appointment of administrators to the Indus Group and/or their related entities,

(“**Review Engagement**”). We undertook the following in this role from 4 September 2019 to 17 October 2019:

- Held Meetings with KWM, Jon Howarth, the sole director of the Indus Group and management to obtain an understanding of the Indus Group’s financial position and cash flow forecasts. This included understanding trading operations and key contracts;
- Attended meetings between Indus Group, its secured creditor and their advisors in relation to the above matters;

- Undertook a review of the Indus Group financial position, cash flow forecasting (including assessing validity of assumptions used) and completed contingency plan to determine working capital deficiency in the event a voluntary administrator was appointed; and
- Considered and discussed the Indus Group's funding requirements should the Indus Group appoint administrators.

We delivered reports dated:

- 13 September – draft report;
- 30 September – draft administration plan;
- 4 October – updated draft administration plan; and
- 8 October – addendums to draft administration plan on funding.

A list of the meetings we held during our engagement is attached which also provides further detail about the tasks undertaken by us.

We received remuneration in the amount of \$50,000 (excluding GST) for this advice. This remuneration was paid in two separate payments of funds deposited with us on trust at the direction of Jon Howarth, the sole director of the Indus Group companies, in accordance with our engagement terms.

Further, in our opinion, the referral of the Review Engagement to HLB by KWM does not affect our independence for the following reasons:

- HLB undertakes work from time to time on behalf of KWM as do practitioners from other firms;
- We have not identified any issue in relation to this relationship that would give rise to a conflict in undertaking the administration of Indus Group. This relationship has not impeded our independence;
- Referrals from lawyers, accountants, business advisors and government agencies are commonplace and do not impact on our independence in carrying out our duties as administrators; and
- There is no expectation, agreement or understanding between HLB and KWM regarding the conduct of the Administration.

In our opinion, the Review Engagement does not affect our independence for the following reasons:

- The Courts and the ARITA's Code of Professional Practice ("the ARITA Code") specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- our work in relation to the Review Engagement was confined to discrete issues arising in respect of the Indus Group's cash flow and contingency planning for a potential appointment of administrators to the Indus Group;
- that work is consistent with the independence requirements provided in the *Corporations Act 2001* (Cth) and in section 6 of the ARITA Code of Professional Practice;
- The nature of the advice provided to Indus Group is such that it would not be subject to review and challenge during the course of the Voluntary Administration and any subsequent liquidation; and

- The pre-appointment advice will not influence our ability to be able to fully comply with statutory and fiduciary obligations associated with the administration of Indus Group in an objective and impartial manner.

No other information or advice was provided beyond that outlined in this declaration.

ii. **Prior Professional services to Indus Group**

Neither we, nor our firm, have provided any professional services to, or in relations to, Indus Group in the previous 24 months.

iii. **Relevant Relationships**

Neither of us, nor our firm, have had within the preceding 24 months, any relationships with the Company, an associate of the Company or a former insolvency practitioner appointed to the Company or any person or entity that has a charge over all or substantially whole of the Company’s property, except **as disclosed below**:

KWM

We have not previously referred work to KWM or been referred unrelated matters by KWM. We may in the future refer matters to or be referred matters by KWM.

We do not consider this creates a conflict of interest or duty as these referrals are based on the quality of the professional service and expertise.

Secured Creditors

The below entities provide financial services to the Indus Group and appear to be a secured creditor:

Name	Nature of Relationship	Reasons
<p>The Secured Creditors, or Remagen Consortium, comprising of Remagen Lend IND Pty Ltd in its capacity as trustee of the Remagen Lend IND Unit Trust (“Remagen”) and funds associated with BlackRock Financial Management Inc (together, the Remagen consortium or Secured Creditors)</p>	<p>Remagen Consortium holds an All Present and after-acquired property (“AllPAAP”) security interest over the whole or substantially the whole of the assets of the Indus Group.</p> <p>HLB have not previously provided Insolvency Services to any of the members of the Remagen Consortium.</p> <p>HLB has previously provided discrete advice to a Remagen entity not related to the Indus Group in respect to unrelated insolvency matter in June 2019. The work was unpaid and did not relate in any way to Remagen’s exposure to the Indus Group. It concerned how to complete statutory forms relating to Remagen’s position as a creditor of a bankrupt estate.</p>	<p>We do not consider this creates a conflict of interest or duty because:</p> <ul style="list-style-type: none"> ▪ HLB has never undertaken any work for the Remagen Consortium in respect to the Indus Group; ▪ the Remagen Consortium are not in a position to influence any determinations that we may have to make in relation to creditors’ rights amongst their different classes as we do not currently receive appointments directly from the Remagen Consortium; and ▪ HLB has not completed any paid work for the Remagen Consortium and as such does not have any ability to influence my ability with the statutory and fiduciary obligations associated with the Voluntary Administration of the Indus Group in an objective and impartial manner.

Director – Jon Howarth

Name	Nature of Relationship	Reasons
<p>HLB Mann Judd was engaged to complete a safe harbour review for the law firm Kardos Scanlan on behalf of one of their clients in March 2018 finishing around July 2018.</p> <p>Jon Howarth was one of the Directors of the client entity during this time.</p>	<p>Prior professional services were provided in the preceding 24 months to Kardos Scanlan in respect to their client in which Jon Howarth was an appointed Director of that client.</p>	<p>I believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> ▪ The services provided were for an entirely different matter, in a different industry and unrelated to the Indus Group; ▪ The engagement client was Kardos Scanlan and not their client or the Directors of that entity; ▪ The previous engagement cannot be considered to influence their ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Indus Group in an objective and impartial manner. <p>We do not believe that this constitutes a disclosable relationship under the ARTIA Code, but have included it here for completeness.</p>
<p>Todd Gammel previously worked with Jon Howarth at Ferrier Hodgson from January 1996 to April 2003.</p> <p>Barry Taylor was a Partner at Ferrier Hodgson Sydney from 2002 to 2006.</p>	<p>Todd Gammel and Barry Taylor were work colleagues with John over 16 and 13 years ago respectively. They did not have a personal friendship or continued professional working relationship following working at Ferrier Hodgson.</p>	<p>I believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> ▪ Todd Gammel and Barry Taylor have had no contact with the director or any other entities associated with the corporate group; ▪ As such, the trivial working relationship over 15 years ago cannot be considered to influence his ability to be able to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Indus Group in an objective and impartial manner. <p>We do not believe that these previous relationships with Jon constitute disclosable relationships under the ARTIA Code, but we have included them here for completeness.</p>

iv. **Group Appointments**

The companies are related entities with a common director and shareholder. As the companies consist of a holding and trading entity which together operate the businesses we have formed the opinion the administrations can be conducted more efficiently by the same practitioners.

At the time of our appointment, we were not aware of any conflict of interest between the companies. Should a conflict arise, we will inform creditors and take appropriate action to resolve the conflict which would involve disclosure to creditors and if appropriate seeking Court directions as a means to resolve any potential conflict.

v. **No other relevant relationships to disclose**

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with Indus Group, an associate of Indus Group, a former insolvency practitioner appointed to Indus Group or any person or entity that is entitled to enforce a security interest in the whole or substantially the whole of the property of Indus Group that should be disclosed.

vi. **Indemnities and up-front payments**

Prior to our appointment we were not indemnified in relation to these administrations, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

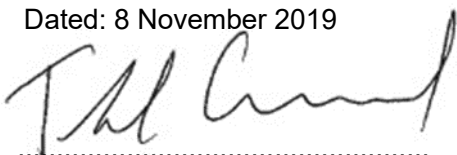
vii. **Indemnity Update**

Late on 31 October 2019, the Administrators caused the Indus Group to enter into the following financial arrangements with the Secured Creditors in order to facilitate the ongoing trading of the Indus Group and thereby seek to preserve the companies' business, or as much of it as practicable, ahead of the second creditors' meetings:

- 1) the Secured Creditors consented to the Administrators applying up to \$5.7m of secured cash (including proceeds held in the Receivables Account in the name of the Security Trustee and funds generated from the sale of non-circulating secured assets) to enable the Indus Group to continue to operate and meet the costs of the Administration; and
- 2) the Secured Creditors provided the Indus Group with an indemnity of up to \$2.4m (plus GST) in relation to any loss, claim or liability in connection with the pre-appointment entitlements of employees.

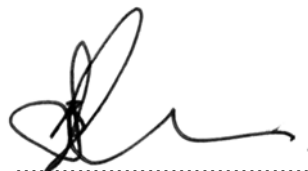
The financial arrangements with the Secured Creditors included the Administrators providing the Secured Creditors with a section 440B consent, being a consent to the Secured Creditors enforcing their security against the secured assets after the expiry of the 13 business day "decision period" provided for by the Corporations Act.

Dated: 8 November 2019



.....
Todd Andrew Gammel

Note:



.....
Barry Anthony Taylor

If circumstances change, or new information is identified, I am/we are required under the Corporations Act 2001 and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For Creditors' Voluntary Liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.

HLB Meeting/Conference Call Log

Date	HLB Attendees	External Attendees	Agenda/Discussions	Paid/Unpaid
26/08/2019	Todd Gammel & Matthew Hocking	Indus Group – Jon Howarth, Remagen and Remagen Advisors McGrath Nicol and Corrs Chambers Westgrath	Pre-advisory discussion regarding engagement scope, approach, and general background matters.	Unpaid
4/09/2019	Todd Gammel Matthew Hocking & Andrew Mulcahy	Indus Group – Jon Howarth, KWM, Indus Group Employees, Remagen and Remagen Advisors	Meeting to receive report from Remagen advisors regarding financial position and issues impacting the business and discussions regarding business funding.	Paid
4/09/2019	Todd Gammel Matthew Hocking & Andrew Mulcahy	Indus Group – Jon Howarth, KWM	Discussions regarding financial position of the company and engagement timelines.	Paid
5/09/2019	Todd Gammel Matthew Hocking & Andrew Mulcahy	Indus Group – Jon Howarth & KWM	Discussions about scope of Advisory Engagement and process to collect company information.	Paid
5/09/2019	Todd Gammel Matthew Hocking & Andrew Mulcahy	Indus Group Employees	Advisory Engagement – Discussion with CEO/CFO about provision of information to begin engagement.	Paid
11/09/2019	Todd Gammel Matthew Hocking & Andrew Mulcahy	Indus Group – Jon Howarth & KWM	HLB presented preliminary finding as per Advisory Engagement.	Paid
18/09/2019	Todd Gammel Matthew Hocking & Andrew Mulcahy	Indus Group – Jon Howarth & KWM	Update report	Paid

2/10/2019	Todd Gammel Matthew Hocking & Andrew Mulcahy	Indus Group – Jon Howarth & KWM	Teleconference to update on position and issues.	Paid
8/10/2019	Todd Gammel Matthew Hocking & Andrew Mulcahy	Indus Group – Jon Howarth & KWM	Teleconference to update on position and issues, particularly the funding position.	Paid
21/10/2019	Todd Gammel	KWM	Teleconference to discuss position and issues.	Paid

There were other immaterial calls regarding general updates, clarifications of minor issues or to arrange meetings through the period that were not included above.

Annexure B

Annexure B - PPSR Summary

Index	Secured Party Group	Number of individual Security Registrations
1	ALLWEST PLANT HIRE AUSTRALIA PTY LTD ACN 164 500 083	1
2	ALLWEST RAPID HIRE PTY LTD ACN 600 575 915	1
3	AUSCO MODULAR PTY LIMITED ACN 010 654 994	2
4	AUTOMOTIVE HOLDINGS GROUP LIMITED ACN 111 470 038	2
5	B P AUSTRALIA PTY LTD ACN 004 085 616	2
6	B. & J. CATALANO PTY LTD ACN 008 961 975	2
7	BLUESCOPE DISTRIBUTION PTY LTD ACN 096 380 068	1
8	BOC LIMITED ACN 000 029 729	1
9	BRIDGESTONE MINING SOLUTIONS AUSTRALIA PTY LTD ACN 000 069 714	1
10	BROGEN INVESTMENTS PTY LTD ACN 093 904 002	5
11	BROOKS HIRE SERVICE PTY LTD ACN 008 975 988	2
12	BTP EQUIPMENT PTY LTD ACN 128 386 201; BTP PARTS PTY LTD ACN 096 533 283; AUSDRILL LIMITED ACN 009 211 474; AUSDRILL NORTHWEST PTY LTD ACN 103 661 374; DRILL RIGS AUSTRALIA PTY LTD ACN 128 786 603; ENERGY DRILLING AUSTRALIA PTY LIMITED ACN 137 680 221; SU	2
13	CASTROL AUSTRALIA PTY. LIMITED ACN 008 459 407	2
14	COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971	2
15	CONTATORE ENGINEERING PTY LTD ACN 119 888 505	1
16	COVENTRY GROUP LIMITED ACN 008 670 102	1
17	ENERGY POWER SYSTEMS AUSTRALIA PTY. LIMITED. ACN 055 274 514	2
18	FLEET PARTNERS PTY LIMITED ACN 006 706 832	2
19	FUELFIX PTY LTD ACN 104 305 991	2
20	GCS PERSONNEL SERVICES PTY LTD ACN 604 493 030; SAFE AND SOUND SCAFFOLDING PTY LTD ACN 130 457 751; GCS FACADES PTY LTD ACN 604 493 174; GCS INTEGRATED SERVICES PTY LTD ACN 604 010 639; C.A.S.C. CONSTRUCTIONS PTY. LTD. ACN 008 946 469; GCS ACCESS PTY LTD	6
21	GEOFABRICS AUSTRALASIA PTY. LTD. ACN 005 479 961	1
22	GLOBAL SYNTHETICS PTY LTD ACN 120 519 520	1
23	GROUND WORKS PLANT HIRE PTY LTD ACN 155 020 803	3
24	H-E PARTS INTERNATIONAL CRUSHING SOLUTIONS PTY LTD ACN 009 300 690	1
25	HILTI (AUST.) PTY. LTD. ACN 007 602 100	1
26	HOLCIM (AUSTRALIA) PTY LTD ACN 099 732 297	1
27	INSTANT TOILETS AND SHOWERS PTY LTD ACN 146 796 134	1
28	INTEGRATED INDUSTRIAL PTY LTD ACN 123 184 252	1
29	ISCO AUSTRALIA PTY LTD ACN 166 748 929	1
30	JONDAY HOLDINGS PTY. LTD. ACN 011 049 531	1
31	K & M STREAM ENTERPRISES PTY LTD ACN 165 354 334	1
32	KAIS CONTRACTORS PTY LTD ACN 110 875 557	3
33	LIEBHERR-AUSTRALIA PTY. LTD. ACN 007 970 452	5
34	MTU DETROIT DIESEL AUSTRALIA PTY LIMITED ACN 073 690 990	1
35	ONE CORPORATE TRUST SERVICES LIMITED ACN 163 307 800	742
36	ONESTEEL TRADING PTY LIMITED ACN 007 519 646; ONESTEEL REINFORCING PTY LIMITED ACN 004 148 289; ONESTEEL RECYCLING PTY LIMITED ACN 002 707 262; THE AUSTRALIAN STEEL COMPANY (OPERATIONS) PTY LTD ACN 069 426 955; ONESTEEL MANUFACTURING PTY LIMITED ACN 004 6	1
37	ONSITE RENTAL GROUP OPERATIONS PTY LTD ACN 126 102 485	1
38	OZLAND DRILLING & BLASTING SERVICES PTY LTD ACN 140 397 833	1
39	OZLAND ROCK TOOLS PTY LTD ACN 600 580 523	1
40	OZTRAC EQUIPMENT SALES PTY LTD ACN 009 390 694; OZTRAC HIRE PTY LTD ACN 009 444 991; OZTRAC EQUIPMENT SALES SERVICE TRUST ABN 15 403 194 898	6
41	OZTRAC EQUIPMENT SALES SERVICE TRUST ABN 15 403 194 898; OZTRAC HIRE PTY LTD ACN 009 444 991	7
42	PERI AUSTRALIA PTY LIMITED ACN 078 003 568	1
43	PERKAL PTY LTD ACN 009 283 363	2
44	PERTH FORK TRUCKS PTY LTD ACN 113 404 756	2
45	POWELL INDUSTRIAL PTY LTD ABN 36 010 035 346	1
46	PRIME INDUSTRIAL PRODUCTS PTY LTD ACN 131 559 772	1
47	PUMPS UNITED PTY LTD ACN 612 205 919	1
48	RAPID METAL DEVELOPMENTS (AUSTRALIA) PROPRIETARY LIMITED ACN 004 304 447	1
49	REDSTAR EQUIPMENT PTY LTD ACN 103 772 318; ONSITE RENTAL GROUP OPERATIONS PTY LTD ACN 126 102 485	1
50	REOMART PTY LIMITED ACN 122 905 864	1
51	ROCK ON GROUND PTY LTD ACN 113 867 815	6
52	ROYAL WOLF TRADING AUSTRALIA PTY LIMITED ACN 069 244 417	1
53	SITECH (WA) PTY LTD ACN 139 286 454	1
54	SRCM PTY LTD ACN 124 652 526	1
55	STRIKER AUSTRALIA PTY LTD ACN 137 807 231	1
56	TITAN PLANT HIRE PTY LTD ACN 095 884 441	2
57	TKPH PTY LTD ACN 615 115 565	3
58	TOYOTA FINANCE AUSTRALIA LTD ACN 002 435 181	19
59	TRITON TRANSPORT SERVICES PTY LTD ACN 132 036 796; The Trustee for Murphy Company Trust ABN 43 911 632 781; MURPHY LOGISTICS GROUP PTY LTD ACN 132 036 787	4
60	URBAN RESOURCES PTY LTD ACN 121 043 034	1
61	WESTRAC PTY LTD ACN 009 342 572	1
62	WURTH AUSTRALIA PTY LTD ACN 002 487 096	1
	Total Registrations	873

Annexure C

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading

Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437C	Performing or exercising a function or power as an officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to any other relevant matter

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Annexure D

REMUNERATION APPROVAL REPORT

INDUS MINING SERVICES PTY LTD (ADMINISTRATORS
APPOINTED)

19 November 2019



**Indus Mining Services Pty Limited
(Administrators Appointed)**

This remuneration approval report provided you with the information you need to be able to make an informed decision regarding the approval of my remuneration for undertaking the Voluntary Administration of Indus Mining Services Pty Ltd (Administrators Appointed).

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You should read this report and the other documentation that I have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised. Information about the meeting of creditors is provided at part 8 of this report.

If you have any questions or need any assistance, please contact James Scarcella on (02) 9020 4146 or via email at jscarcella@hlbns.com.au.

1. Declaration

We, Todd Gammel and Barry Taylor of HLB Mann Judd have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of Indus Mining Services Pty Limited in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

We have reviewed the work in progress report for the Administration to ensure that remuneration is only being claimed for necessary and proper work performed.

2. Executive Summary

We provide the following summary of our remuneration below:

Remuneration	Report Reference	Amount \$ (Excluding GST)
Current Remuneration approval sought:		
Voluntary Administration Period		
Resolution 1: Retrospective Voluntary Administrators' remuneration for the period 23 October 2019 to 15 November 2019.	3.2.1	\$302,289.00
Resolution 2: Retrospective Voluntary Administrators' remuneration for HLB Mann Judd (Insolvency WA) personnel the period 23 October 2019 to 15 November 2019.	3.2.2	\$1,164.70
Resolution 3: Prospective Voluntary Administrators' remuneration for the period 16 November 2019 to 27 November 2019. **	3.2.3	\$120,000.00
Resolution 4: Prospective Voluntary Administrators' remuneration for the period 28 November 2019 to finalisation of Administration. **	3.2.4	\$60,000.00
Total Remuneration for the Voluntary Administration*		\$483,453.70
Deed of Company Arrangement ("DOCA") Period		
Resolution 5: If resolved that the Company enter into a DOCA, prospective Deed Administrators remuneration from the date of execution of the DOCA to completion of the DOCA. **	3.2.5	\$80,000.00
Total Remuneration for Deed of Company Arrangement		\$80,000.00
Liquidation Period		
Resolution 6: If resolved that the Company Liquidation, prospective Liquidator remuneration for the period 28 November 2019 to the finalisation of the Liquidation. **	3.2.6	\$100,000.00
Total Remuneration for Liquidation		\$100,000.00
*Actual and estimated time costs incurred for the Administration period is expected to exceed the amount requested for approval; however, the Administrators only seek approval for \$483,453.70 (excluding GST) for this period.		
**Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the Administration/Deed of Company Arrangement/Liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

Internal disbursement that require creditor approval are summarised below:

Internal Disbursements	Report Reference	Amount \$ (Excluding GST)
Current Internal Disbursements sought:		
Voluntary Administration Period		
Resolution 7: Prospective Voluntary Administrators' internal disbursements for the period 16 November 2019 to finalisation of Administration.	4.2.2.1	\$5,000.00
Total Future Disbursements for the Voluntary Administration		\$5,000.00
Deed of Company Arrangement ("DOCA") Period		
Resolution 8: If resolved that the Company enter into a DOCA, prospective Deed Administrators internal disbursements from the date of execution of the DOCA to completion of the DOCA.	4.2.2.2	\$5,000.00
Total Remuneration sought for Deed of Company Arrangement		\$5,000.00
Liquidation Period		
Resolution 9: If resolved that the Company enters Liquidation, prospective internal disbursements for the period 28 November 2019 to the finalisation of the Liquidation.	4.2.2.1	\$5,000.00
Total Remuneration sought for Liquidation		\$5,000.00
Approval for the future disbursements sought is based on an estimate of the internal disbursements (that may have an element of profit or advantage to a related party) necessary to the completion of the administration and DOCA or Liquidation.		

Please refer to report section references detailed in the above table for full details of the remuneration and internal disbursement approval sought.

3. Remuneration

3.1 Remuneration claim resolutions

We will be seeking approval for the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and in the attached schedules.

Resolution 1 (retrospective remuneration): 23 October 2019 to 15 November 2019

Resolution 1 – Voluntary Administration			
Company	Indus Mining Services Pty Ltd	Period	23 October 2019 to 15 November 2019
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Voluntary Administration		
Proposed Resolution	"That the remuneration of the Administrators' for the period 23 October 2019 to 15 November 2019 calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment in the sum of \$302,289.00 (excluding GST), and that the Administrators can draw the remuneration immediately or as required."		

Resolution 2 (retrospective remuneration) for outsourced insolvency services: 23 October 2019 to 15 November 2019

Resolution 2 – Voluntary Administration			
Company	Indus Mining Services Pty Ltd	Period	23 October 2019 to 15 November 2019
Practitioners	Greg Quin	Firm	HLB Mann Judd (Insolvency WA)
Administration Type	Voluntary Administration		
Proposed Resolution	<i>“That the outsourced remuneration of the Administrators’ relating to tasks performed by HLB Mann Judd (Insolvency WA) for the period from 23 October 2019 to 15 November 2019 calculated at hourly rates as detailed in 3.2.2 in this report is approved for payment in the sum of \$1,164.70 (excluding GST), and that the Administrators can draw the remuneration immediately or as required.”</i>		

Resolution 3 (prospective remuneration): 16 November 2019 to 27 November 2018 (Second Meeting)

Resolution 3 – Voluntary Administration			
Company	Indus Mining Services Pty Ltd	Period	16 November 2019 to 27 November 2018 (Second Meeting)
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Voluntary Administration		
Proposed Resolution	<i>“That the future remuneration of the Administrators’ for the period 16 November 2019 to 27 November 2018 (Second Meeting) calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment, up to a capped amount of \$120,000.00 (excluding GST) and that the Administrators can draw the remuneration on a monthly basis or as required.”</i>		

Resolution 4 (prospective remuneration): 28 November 2019 to finalisation of Administration.

Resolution 4 – Voluntary Administration			
Company	Indus Mining Services Pty Ltd	Period	28 November 2019 to finalisation of Administration.
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Voluntary Administration		
Proposed Resolution	<i>“That the future remuneration of the Administrators’ for the period 28 November 2019 to finalisation of Administration calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment up to a capped amount of \$60,000.00 (excluding GST), and that the Administrators can draw the remuneration on a monthly basis or as required.”</i>		

Resolution 5 (prospective Deed Administrators remuneration): Date of execution of the DOCA to completion of the DOCA.

Resolution 5 – Deed of Company Arrangement (“DOCA”)			
Company	Indus Mining Services Pty Ltd	Period	Date of execution of the DOCA to completion of the DOCA.
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Deed of Company Arrangement		
Proposed Resolution	<i>“That the future remuneration of the Deed Administrators for the period between the date of execution of the DOCA to completion of the DOCA be calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved up to a capped amount of \$80,000.00 (excluding GST) and that the Deed Administrators can draw the remuneration on a monthly basis or as required.”</i>		

Resolution 6 (prospective Liquidators remuneration): 27 November 2019 (Second Meeting) to the finalisation of the Liquidation.

Resolution 6 – Liquidation			
Company	Indus Mining Services Pty Ltd	Period	28 November 2019 to the finalisation of the Liquidation.
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Liquidation		
Proposed Resolution	<i>“That the future remuneration of the Liquidators’ for the period 28 November 2019 to the finalisation of the Liquidation calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment up to a capped amount of \$100,000.00 (excluding GST) and that the Liquidators can draw the remuneration on a monthly basis or as required.”</i>		

3.2 Detail of remuneration

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedules 1 to 5.

3.2.1 Resolution 1 (retrospective remuneration): 23 October 2019 to 15 November 2019

The below table sets out time charged to each major task area by staff members working on the Administration for the period 23 October 2019 to 15 November 2019 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

Client: Indus Mining Services Pty Ltd (Administrators Appointed)
 Summary of Remuneration from: 23/10/2019 - 15/11/2019
 Matter: Voluntary Administrators

Person	Position	\$/hour	Total Hours	Total (\$)	Task Area											
					Assets		Creditors		Employees		Investigation		Administration		Trade On	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Barry Taylor	Partner	600.00	10.20	6,120.00	2.10	1,260.00	1.80	1,080.00	-	-	-	-	4.00	2,400.00	2.30	1,380.00
Todd Gammel	Partner	600.00	66.90	40,140.00	16.40	9,840.00	17.20	10,320.00	1.30	780.00	14.70	8,820.00	-	-	17.30	10,380.00
Fiona Dixon	Partner	565.00	2.80	1,582.00	-	-	-	-	-	-	-	-	2.80	1,582.00	-	-
Matthew Levesque-Hocking	Manager	500.00	122.90	61,450.00	1.20	600.00	13.30	6,650.00	11.10	5,550.00	-	-	-	-	97.30	48,650.00
Andrew Mulcahy	Manager	500.00	114.80	57,400.00	61.85	30,925.00	13.20	6,600.00	6.50	3,250.00	28.50	14,250.00	4.75	2,375.00	-	-
Archie Ramsay	Supervisor	350.00	119.50	41,825.00	-	-	-	-	-	-	-	-	-	-	119.50	41,825.00
Kurt Hopcroft	Senior 2	270.00	108.00	29,160.00	-	-	37.70	10,179.00	5.00	1,350.00	18.80	5,076.00	2.30	621.00	44.20	11,934.00
Richard Connelly	Senior 2	270.00	11.80	3,186.00	1.50	405.00	10.30	2,781.00	-	-	-	-	-	-	-	-
James Scarcella	Intermediate	240.00	136.20	32,688.00	12.30	2,952.00	35.80	8,592.00	62.90	15,096.00	10.70	2,568.00	0.10	24.00	14.40	3,456.00
Gus Sloan	Graduate	190.00	146.20	27,778.00	-	-	-	-	-	-	-	-	1.70	323.00	144.50	27,455.00
Damien Murdocca	Graduate	190.00	3.00	570.00	-	-	-	-	-	-	3.00	570.00	-	-	-	-
Emliy Giles	Secretary	130.00	3.00	390.00	-	-	-	-	-	-	-	-	3.00	390.00	-	-
Total Remuneration			845.30	302,289.00	95.35	45,982.00	129.30	46,202.00	86.80	26,026.00	75.70	31,284.00	18.65	7,715.00	439.50	145,080.00
GST				30,228.90		4,598.20		4,620.20		2,602.60		3,128.40		771.50		14,508.00
Total Remuneration (Incl. GST)				332,517.90		50,580.20		50,822.20		28,628.60		34,412.40		8,486.50		159,588.00
<i>Average hourly rate (Excl. GST)</i>				393.37												

3.2.2 Resolution 2 (retrospective remuneration) for outsourced insolvency services: 23 October 2019 to 15 November 2019

The below table sets out the expected costs for major tasks likely to be performed by the HLB Mann Judd Insolvency WA and their staff from the 23 October 2019 to 15 November 2019 which is the basis of the Resolution 2 claim. The below time costs have been spent assisting the Administrators' with various Trade On related tasks on site in Perth, WA.

Employee	Rate	Hours	Amount \$ (excluding GST)
Greg Quin	\$402	0.60	241.20
Laura Jackson	\$186	2.50	465.00
Louise Brnich	\$131	2.50	327.50
Rikki-Lee Bird	\$131	1.00	131.00
Total		6.6	1,164.70

3.2.3 Resolution 3 (prospective Administrators' remuneration): 16 November 2019 to 27 November 2019 (Second Meeting)

The below table sets out the expected costs for major tasks likely to be performed by the Administrators and their staff from the 16 November 2019 to 27 November 2019 (Second Meeting) which is the basis of the Resolution 3 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 2.

Task	Hours	Amount \$ (excluding GST)
Assets	45.78	18,000.00
Creditors	45.78	18,000.00
Employees	25.43	10,000.00
Trade On	144.98	57,000.00
Investigations	35.61	14,000.00
Administration	7.63	3,000.00
Total	305.21	120,000.00

3.2.4 Resolution 4 (prospective Administrators' remuneration): 28 November 2019 to finalisation of Administration

The below table sets out the expected costs for major tasks likely to be performed by the Administrators and their staff from the 28 November 2019 to finalisation of Administration which is the basis of the Resolution 4 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 3.

Task	Hours	Amount \$ (excluding GST)
Assets	20.35	8,000.00
Creditors	22.89	9,000.00
Employees	12.72	5,000.00
Trade On	73.76	29,000.00
Investigations	17.80	7,000.00
Administration	5.09	2,000.00
Total	152.61	60,000.00

3.2.5 Resolution 5 (prospective Deed Administrators' remuneration): Date of execution of the DOCA to completion of the DOCA.

The below table sets out the expected costs for major tasks likely to be performed by the Deed Administrators and their staff from the date of execution of the DOCA to completion of the DOCA which is the basis of the Resolution 5 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 4.

Task	Hours	Amount \$ (excluding GST)
Assets	50.87	20,000.00
Creditors	50.87	20,000.00
Employees	30.52	12,000.00
Trade On	30.52	12,000.00
Dividend	30.52	12,000.00
Administration	10.17	4,000.00
Total	203.47	80,000.00

3.2.6 Resolution 6 (prospective Liquidators' remuneration): 28 November 2019 to the finalisation of the Liquidation.

The below table sets out the expected costs for major tasks likely to be performed by the Liquidators and their staff from 28 November 2019 to the finalisation of the Liquidation which is the basis of the Resolution 6 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 5.

Task	Hours	Amount \$ (excluding GST)
Assets	50.87	20,000.00
Creditors	50.87	20,000.00
Employees	25.43	10,000.00
Trade On	25.43	10,000.00
Investigation	50.87	20,000.00
Dividend	38.15	15,000.00
Administration	12.72	5,000.00
Total	254.34	100,000.00

3.3 Total Remuneration Reconciliation

At this point in time I estimate that the total remuneration for the Voluntary Administration of both Indus Mining Services Pty Ltd and Indus Consolidated Pty Ltd ("the Indus Group") will be \$521,025.00 (excluding GST). This includes the current approval amount being sought of \$302,289.00 for Indus Mining Services Pty Ltd (Administrators Appointed).

This estimate differs to the estimate of costs provided in the Initial Remuneration Notice dated 24 October 2019, which estimated a cost of the administration of \$450,000 (excluding GST and disbursements) for the Indus Group.

The variance in estimated costs of circa \$71,025 related to an allowance for the interim Administration period following the second meeting to finalisation and execution of the DOCA.

Although remuneration for the Administration of Indus Mining Services Pty Ltd (Administrators Appointed) of \$483,453.70 is being sought, it is expected that actual costs will exceed this amount. The Administrators do not intend to ask creditors for further approval to cover these costs.

3.4 Likely impact on dividends

The Corporations Act sets the order for the payment of claims against the company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the appointees receive payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including claims by priority creditors such as employees.

On the basis of the following:

- Realisation to date;
- Estimated future realisations;
- Our estimate remuneration to complete the Voluntary Administration and Deed of Company Arrangement or Liquidation; and
- The estimated total creditor claims based on the company's records and claims lodged now.

We estimate that a dividend of 100c/\$ will be paid to priority creditors, and 9-11c to unsecured creditors. This outcome is subject to a range of variables including whether creditors vote for the DOCA or liquidation outcome.

3.5 Remuneration recovered from external sources

I provide the below disclosure regarding potential remuneration recovery from external sources, as detailed in the updated Declaration of Independence, Relevant Relationships and Indemnities sent to creditors on 12 November 2019,

On 31 October 2019, the Administrators caused the Indus Group to enter into the following financial arrangements with the Secured Creditors in order to facilitate the ongoing trading of the Indus Group and thereby seek to preserve the companies' business, or as much of it as practicable, ahead of the second creditors' meetings:

1. the Secured Creditors consented to the Administrators applying up to \$5.7m of secured cash (including proceeds held in the Receivables Account in the name of the Security Trustee and funds generated from the sale of non-circulating secured assets) to enable the Indus Group to continue to operate and meet the costs of the Administration; and
2. the Secured Creditors provided the Indus Group with an indemnity of up to \$2.4m (plus GST) in relation to any loss, claim or liability in connection with the pre-appointment entitlements of employees.

The \$5.7m of secured cash in point 1 above may be utilised to pay the Administrators remuneration and disbursements as a component of the costs of the Administration.

4. Disbursements

Disbursements are divided into three types:

- **External professional services** - these are recovered at cost. An example of an externally provided professional service is legal fees. It does not include insolvency services, as insolvency services are claimed as remuneration.
- **External non-professional costs** – these are recovered at cost. Examples of external non-professional expenses include travel, accommodation and search fees.
- **Internal non-professional costs** – such as photocopying, printing and postage. The recovery of these costs must be on a reasonable commercial basis.

We have undertaken a proper assessment of disbursements claimed for the Voluntary Administration in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

We are seeking creditor approval to pay our internal disbursements from creditors.

4.1 External Disbursements claim

4.1.1 External Professional Services

External disbursements may be paid directly from the Voluntary Administration bank accounts, in which case they are included in Section 9 of the Administrators' Report to Creditors dated 19 November 2019.

4.1.2 External Non-professional Services

External non-professional disbursements are paid for by HLB Mann Judd and are recovered from the Voluntary Administration bank accounts. Creditors are not required to approve these types of disbursements, but details are provided to creditors including the basis of charging these types of disbursements.

The following external disbursements have been paid by HLB Mann Judd for the period 23 October 2019 to 15 November 2019 and relate to the Voluntary Administration of Indus Mining Services Pty Ltd. These amounts will be reimbursed at cost from the Voluntary Administration bank accounts:

External Disbursements Claimed – Non-professional disbursements	Rate	Amount \$ (Excluding GST)
Meals	At cost	2,586.57
Accommodation	At cost	6,702.10
Flights	At cost	14,272.02
Travel (Taxi, Car Hire etc.)	At cost	3,177.57
Total		26,738.26

Details regarding the above disbursements are as follows:

- Meals: Meals, groceries and other items relating to some meals for staff in Perth;
- Accommodation: accommodation for staff in Perth;
- Flights: Return economy seated flights for staff to travel from Sydney and Perth (1 per person/per week); and
- Travel: Taxi, Car Hire and other travel expenses associated with transit to and from work.

4.2 Internal Disbursements claim

Internal disbursements are paid for by HLB Mann Judd and are recovered from the Voluntary Administration bank accounts. Creditors are only required to approve these types of disbursements where there is an element of profit or advantage to the external administrator of a related party of the external administrator.

4.2.1 Internal disbursements with no element of profit or advantage

The following internal disbursements have no element of profit or advantage. Details are provided to account to creditors, including the basis of charging for these types of disbursements. Creditors are entitled to question the incurring of the disbursements and can challenge the disbursements in Court. These amounts will be reimbursed to HLB Mann Judd at cost from the Voluntary Administration bank accounts

Internal Disbursements Claimed – Non-professional disbursements	Rate	Amount \$ (Excluding GST)
Postage	At cost	205.95
Total		205.95

4.2.2 Future Internal Disbursements that may have an element of profit or advantage

The following internal disbursements may have an element of profit or advantage:

Internal Disbursements	Amount \$ (Excluding GST)
Voluntary Administration Period	
Resolution 6: Prospective Voluntary Administrators' internal disbursements for the period 16 November 2019 to finalisation of Administration.	\$5,000
Total Disbursements sought for the Voluntary Administration	\$5,000
Deed of Company Arrangement ("DOCA") Period	
Resolution 7: If resolved that the Company enter into a DOCA, prospective Deed Administrators internal disbursements from the date of execution of the DOCA to completion of the DOCA.	\$5,000
Total Disbursements sought for the Deed of Company Arrangement	\$5,000
Liquidation Period	
Resolution 8: If resolved that the Company Liquidation, prospective internal disbursements for the period 27 November 2019 (Second Meeting) to the finalisation of the Liquidation.	\$5,000
Total Disbursements sought for the Liquidation	\$5,000

Future disbursements incurred by HLB Mann Judd will be charged to the external administration on the following basis:

Disbursement	Rate (Excl GST)
Externally provided professional services	At Cost
Externally provided non-professional services	At Cost
Internal disbursements:	
Advertising	At Cost
ASIC industry funding model levy – metric events	At prescribed ASIC Rates
Courier	At Cost
Printing – Black and White	\$0.09 per page
Printing – Colour	\$0.28 per page
Postage	At Cost
Searches	At Cost
Stationery and other incidental disbursements	At Cost
Staff vehicle use	At prescribed ATO rates
Storage and Storage transit	At Cost
Telephone – mobile, fixed line and conference	At Cost

Approval of payment of these disbursements at the above rates to a capped amount of \$5,000.00 is being sought at the meeting of creditors.

4.2.2.1 Resolution 6 (prospective Administrators disbursements): 16 November 2019 to finalisation of Administration

Resolution 5 – Voluntary Administration			
Company	Indus Mining Services Pty Ltd	Period	23 October 2019 to 15 November 2019
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Voluntary Administration		
Proposed Resolution	<i>“That the disbursements of the Administrators’ for the period 15 November 2019 to finalisation of the Administration calculated at rates detailed in the Initial Remuneration Notice dated 24 October 2019 is approved for payment up to a capped amount of \$5,000.00 (excluding GST), and that the Administrators can draw the remuneration immediately or as required.”</i>		

4.2.2.2 Resolution 7 (prospective Deed Administrators disbursements): Date of execution of the DOCA to completion of the DOCA.

Resolution 6 – Deed of Company Arrangement (“DOCA”)			
Company	Indus Mining Services Pty Ltd	Period	Date of execution of the DOCA to completion of the DOCA.
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Deed of Company Arrangement		
Proposed Resolution	<i>“That the future disbursements of the Deed Administrators for the period between the date of execution of the DOCA to completion of the DOCA calculated at rates detailed in the Initial Remuneration Notice dated 24 October approved for payment up to a capped amount of \$5,000.00 (excluding GST) and that the Deed Administrators can draw the remuneration immediately or as required.”</i>		

4.2.2.3 Resolution 8 (prospective Liquidators remuneration): 28 November 2019 to the finalisation of the Liquidation.

Resolution 7 – Liquidation			
Company	Indus Mining Services Pty Ltd	Period	28 November 2019 to the finalisation of the Liquidation
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Liquidation		
Proposed Resolution	<i>“That the future disbursements of the Liquidators’ for the period 28 November 2019 to the finalisation of the Liquidation calculated at rates detailed in the Initial Remuneration Notice dated 24 October approved for payment up to a capped amount of \$5,000.00 (excluding GST) and that the Liquidators can draw the remuneration immediately or as required.”</i>		

5. Report on progress of the Administration

Please refer to the Report to Creditors dated 19 November 2019 for a comprehensive report on the status of the administration.

6. Summary of Receipts and Payments

A summary of the receipts and payments for the Voluntary Administration as at 15 November 2019 is in Section 9 of the Administrators’ Report to Creditors dated 19 November 2019.

7. Queries

If you have any queries in relation to the information in this report, please contact James Scarcella of this office of (02) 9020 4146 or via email on jscarcella@hlbnsw.com.au

8. Approval of remuneration and disbursements

Creditor approval of the remuneration and disbursement resolutions contained in this report will be sought at the meeting of Creditors scheduled for Wednesday 27 November 2019. Details and notice of the meeting are contained in the Report to Creditors dated 19 November 2019.

9. Schedules

SCHEDULE 1 – RETROSPECTIVE RESOLUTION - VOLUNTARY ADMINISTRATION

The below table sets out the estimated cost for each major task area for the Voluntary Administration for the period 23 October 2019 to 15 November 2019.

Task Area	General Description	Includes
Assets Number of hours: 95.35 Cost: \$45,982.00	Sale of Business as a Going Concern	Internal meetings to discuss/review offers received Collation of information to provide to interested parties Liaising with interested parties in respect to purchase of assets Advanced discussions with interested parties regarding their offer for business Consideration of alternate options and outcomes for creditors
	Plant and Equipment	Reviewing PPSR, liaising with suppliers, valuers and interested parties Reviewing asset listings
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with broker regarding initial and ongoing insurance requirements Reviewing insurance policies Reviewing pre appointment insurance policies
	Stock	Conducting stock takes Reviewing stock values Liaising with suppliers
	Other Assets	Tasks associated with realising other assets
	Leasing	Reviewing leasing documents Liaising with owners/lessors Negotiating terms with landlords
Creditors Number of hours: 129.30 Cost: \$46,202.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Preparing circulars to creditors Preparing s75-225 report to creditors
	Secured Creditors	Correspondence with PPSR creditors Reviewing PPSR creditor claims Corresponding with suppliers with stock/ assets subject to security interests Negotiating settlements with suppliers in respect of assets subject to security interests Obtain legal advice in respect to secured parties' security interest over company assets
	Dealing with proofs of debt	Receipting and filing POD's Corresponding with ATO regarding POD's
	Deed of Company Arrangement	Discussing potential DOCA proposals and liaising with relevant parties

Task Area	General Description	Includes
	Meeting of Creditors	Preparation meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.
Employees Number of hours: 86.80 Cost: \$26,026.00	Employees enquiry	Receive and follow up employee enquiries via telephone and email Review and prepare correspondence to creditors and their representatives via facsimile, email and post Preparation of letters to employees advising of their entitlements and options available Receive and prepare correspondence in response to employees objections to leave entitlements Liaising with staff including providing updates on the Administration process, responding to individual queries and attending staff meetings to discuss issues with regard to ongoing operations and the sale process
	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards
Trade On Number of hours: 439.50 Cost: \$145,880.00	Trade On Management	Liaising with suppliers, management and staff regarding operations Reviewing supplier and customer contracts Attendance on site Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt and payment vouchers Preparing cash reconciliations
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting & financial reporting	Liaising with management in respect of the preparation of trading forecasts and analysing performance including reconciliations of income and operating expenditure Reviewing company's budgets and financial statements Preparing budgets and cash flow forecasts Meetings to discuss trading position
Investigation Number of hours: 75.7 Cost: \$31,284.00	Conducting investigation	Collection of company books and records Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file

Task Area	General Description	Includes
Administration Number of hours: 18.65 Cost: \$7,715.00	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505 etc
	ATO & other statutory reporting	Notification of appointment
	Planning / Review	Discussions regarding status of administration

SCHEDULE 2 – PROSPECTIVE RESOLUTION – VOLUNTARY ADMINISTRATION

The below table sets out the estimated cost for each major task area for the Voluntary Administration for the period 16 November 2019 to 27 November 2019.

Task Area	General Description	Includes
Assets Number of hours: 45.78 Cost: \$18,000.00	Sale of Business as a Going Concern	Meetings to discuss/review offers received, assessing basis of offer, key terms and benefits to creditors Liaising with interested parties in respect to purchase of assets Negotiating key terms of sale and asset sale agreement including liaising with lawyers and advisors, reviewing draft sale agreement, related documents and assessing impact of proposed amendments Consideration of alternate options and outcomes for creditors Assessment of purchaser funding for sale Meeting and correspondence with lawyers relating to sale agreement
	Plant and Equipment	Liaising with suppliers, valuers and interested parties
	Other Assets	Tasks associated with realising other assets
Creditors Number of hours: 45.78 Cost: \$18,000.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Finalising s75-225 report to creditors Assessment of DOCA Proposal and liquidation outcome for creditors Consider Administrators recommendation and document
	Secured Creditors	Reviewing PPSR creditor claims Negotiating settlements with suppliers in respect of stock/ assets subject to security interests
	Dealing with proofs of debt	Receipting and filing POD's Corresponding with ATO regarding POD's
	Deed of Company Arrangement	Reviewing DOCA proposal submission and liaising with Director's representative regarding same. Comparing likely return under DOCA proposal to Liquidation
Meeting of Creditors	Preparation meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Preparation and lodgement minutes of meetings with ASIC	
	Employees enquiry	Receive and follow up employee enquiries via telephone and email Review and prepare correspondence to creditors and their representatives via facsimile, email and post Liaising with staff including providing updates on the Administration process, responding to individual

Task Area	General Description	Includes
Employees Number of hours:25.43 Cost: \$10,000.00		queries and attending staff meetings to discuss issues with regard to ongoing operations and the sale process
	Calculation of entitlements	Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
Trade On Number of hours:144.98 Cost: \$57,000.00	Trade On Management	Liaising with suppliers, management and staff regarding operations Reviewing supplier and customer contracts Attendance on site Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt and payment vouchers Preparing daily cash reconciliations
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting & financial reporting	Analysing performance including reconciliations of income and operating expenditure Preparing budgets and cash flow forecasts Finalising trading profit or loss Meetings to discuss trading position
Investigation Number of hours:35.61 Cost: \$14,000.00	Conducting investigation	Reviewing company's books and records Review of comparative financial statements Review of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions
Administration Number of hours:.7.63 Cost: \$3,000.00	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	ATO & other statutory reporting	Preparing BAS'
	Planning / Review	Discussions regarding status of administration

SCHEDULE 3 – PROSPECTIVE RESOLUTION – VOLUNTARY ADMINISTRATION

The below table sets out the estimated cost for each major task area for the Voluntary Administration for the period 27 November 2019 to finalisation of Administration.

Task Area	General Description	Includes
Assets Number of hours: 20.35 Cost: \$8,000.00	Sale of Business as a Going Concern	Meetings to discuss/review offers received, assessing basis of offer, key terms and benefits to creditors Negotiating key terms of sale and asset sale agreement including liaising with lawyers and advisors, reviewing draft sale agreement, related documents and assessing impact of proposed amendments Assessment of purchaser funding for sale Meeting and correspondence with lawyers relating to sale agreement
	Plant and Equipment	Liaising with suppliers, valuers and interested parties
	Other Assets	Tasks associated with realising other assets
Creditors Number of hours: 22.89 Cost: \$9,000.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Assessment of DOCA Proposal and liquidation outcome for creditors Consider Administrators recommendation and document
	Dealing with proofs of debt	Receipting and filing POD's Corresponding with ATO regarding POD's
	Deed of Company Arrangement	Reviewing DOCA proposal submission and liaising with Director's representative regarding same. Comparing likely return under DOCA proposal to Liquidation
Employees Number of hours: 12.72 Cost: \$5,000.00	Employees enquiry	Receive and follow up employee enquiries via telephone and email Review and prepare correspondence to creditors and their representatives via facsimile, email and post Liaising with staff including providing updates on the Administration process, responding to individual queries and attending staff meetings to discuss issues with regard to ongoing operations and the sale process
	Calculation of entitlements	Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
Trade On Number of hours: 73.76 Cost: \$29,000.00	Trade On Management	Liaising with suppliers, management and staff regarding operations Reviewing supplier and customer contracts Attendance on site Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt and payment vouchers Preparing daily cash reconciliations

Task Area	General Description	Includes
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting & financial reporting	Analysing performance including reconciliations of income and operating expenditure Preparing budgets and cash flow forecasts Finalising trading profit or loss Meetings to discuss trading position
Investigation Number of hours: 17.80 Cost: \$7,000.00	Conducting investigation	Reviewing company's books and records Review of comparative financial statements Review of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Lodging report pursuant to section 438D with the ASIC
Administration Number of hours: 5.09 Cost: \$2,000.00	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	Planning / Review	Discussions regarding status of administration

SCHEDULE 4 – PROSPECTIVE RESOLUTION - DOCA

The below table sets out the estimated cost for each major task area for the Deed of Company Arrangement (“DOCA”) from the execution of the DOCA to the Effectuation of the DOCA.

Task Area	General Description	Includes
Assets Number of hours: 50.87 Cost: \$20,000.00	Other Assets	Tasks associated with realising other assets
	DOCA Contributions	Monitoring compliance with the terms of the DOCA including payment of the DOCA contribution amounts.
Creditors Number of hours: 50.87 Cost: \$20,000.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Preparing general reports to creditors as required
	Dealing with proofs of debt	Receipting and filing POD’s when not related to a dividend Corresponding with ATO regarding POD’s when not related to a dividend
	Meeting of Creditors	Convene creditor meetings as required Preparation and lodgement of minutes of meeting with ASIC Respond to stakeholder queries and questions immediately following meeting
Trade On Number of hours: 30.75 Cost: \$12,000.00	Trade On Management	Liaising with suppliers, management and staff regarding operations Reviewing supplier and customer contracts Attendance on site Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt and payment vouchers Preparing daily cash reconciliations
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting & financial reporting	Analysing performance including reconciliations of income and operating expenditure Preparing budgets and cash flow forecasts Finalising trading profit or loss Meetings to discuss trading position
Employees Number of hours: 30.52 Cost: \$12,000.00	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company’s books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
	Employee Dividend	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt

Task Area	General Description	Includes
		<ul style="list-style-type: none"> Calculating dividend rate and preparing dividend file Advertising dividend notice Preparing distribution and adjudicating POD's Ensuring PAYG is remitted to ATO
Dividend Number of hours: 30.75 Cost: \$12,000.00	Processing proofs of debt	<ul style="list-style-type: none"> Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of and adjudication PODs Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	<ul style="list-style-type: none"> Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation for distribution and dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
Administration Number of hours: 10.17 Cost: \$4,000.00	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc.
	ATO & other statutory reporting	<ul style="list-style-type: none"> Preparing BAS' Completing payment summaries
	Planning / Review	Discussions regarding status of administration
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> Monthly administration review and filing of documents File reviews and updating checklists

SCHEDULE 5 – PROSPECTIVE RESOLUTION - LIQUIDATION

The below table sets out the estimated cost for each major task area for the Liquidation from 27 November 2019 to the finalisation of the Liquidation.

Task Area	General Description	Includes
Assets Number of hours: 50.87 Estimated Cost: \$20,000.00	Other Assets	Tasks associated with realising other assets including recovery for unfair preferences. Recovery actions against Director
Creditors Number of hours: 50.87 Estimated Cost: \$20,000.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone & maintaining creditor enquiry register. Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Preparing general and annual reports to creditors.
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend. Corresponding with OSR and ATO regarding POD's when not related to a dividend.
	Meeting of Creditors	Convene creditors meetings as required. Preparation and lodgement of minutes of meetings with ASIC. Respond to stakeholder queries and questions immediately following meeting.
Employees Number of hours: 25.43 Estimated Cost: \$10,000.00	Employees enquiry	Receive and follow up employee enquiries via telephone. Maintain employee enquiry register. Review & prepare correspondence to creditors and their representatives via facsimile, email & post. Preparation of letters to employees advising of their entitlements and options available. Receive and prepare correspondence in response to employees objections to leave entitlements.
	FEG	Correspondence with FEG. Preparing notification spreadsheet. Preparing any FEG quotations and distributions.
	Calculation of entitlements	Calculating employee entitlements. Reviewing employee files and company's books and records. Reconciling superannuation accounts. Reviewing contracts, awards and national employment standards. Liaising with solicitors regarding entitlements.
	Employee dividend	Correspondence with employees regarding dividend. Correspondence with ATO regarding SGC proof of debt. Calculating dividend rate and preparing dividend file.

Task Area	General Description	Includes
		Advertising dividend notice. Preparing distribution. Receipting & adjudicating POD's if required. Ensuring PAYG is remitted to ATO.
Investigation Number of hours: 50.87 Estimated Cost: \$20,000.00	Conducting investigation	Preparation of investigation file. Review potential preference payments. Prepare demands to preference creditors. Review potential insolvent trading claim. Review potential claims against Director for breaches of director duties. Consider recovery action for identified claims. Lodgement of report pursuant to section 533 with the ASIC. Preparation and lodgement of supplementary report if required.
	Litigation / Recoveries	Internal meetings to discuss status of litigation if required. Preparing brief to solicitors if required. Liaising with solicitors regarding recovery actions if required. Attending to negotiations if required. Attending to settlement matters if required.
	ASIC reporting	Preparing statutory investigation reports. Liaising with ASIC.
Dividend Number of hours: 38.15 Estimated Cost: \$15,000.00	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD. Receipt of and adjudicating PODs. Request further information from claimants regarding POD. Preparation of correspondence to claimant advising outcome of adjudication.
	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend. Advertisement of intention to declare dividend. Preparation of dividend calculation. Preparation of correspondence to creditors announcing declaration of dividend. Advertise announcement of dividend. Preparation of distribution and dividend file. Preparation of payment vouchers to pay dividend. Preparation of correspondence to creditors enclosing payment of dividend.
Administration Number of hours: 12.72 Estimated Cost: \$5,000.00	Document maintenance/file review/checklist	Monthly administration review. Filing of documents and file reviews. Updating checklists.
	Bank account administration	Preparing correspondence opening and closing accounts. Requesting bank statements. Bank account reconciliations.

Task Area	General Description	Includes
		Correspondence with bank regarding specific transfers.
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc. Correspondence with ASIC regarding statutory forms.
	ATO & other statutory reporting	Preparing BAS'. Completing payment summaries.
	Finalisation	Notifying ATO of finalisation. Cancelling ABN/GST/PAYG registration. Completing checklists.
	Books and records / storage	Dealing with records in storage. Sending job files to storage.

10. Guide to Remuneration

Business Recovery and Insolvency (NSW) – Guide to Remuneration

It is the general practice of HLB Mann Judd (NSW) to calculate remuneration for Business Recovery and Insolvency matters by reference to the hours worked by the Insolvency Practitioner, their partners and staff and an hourly rate based on the level of experience of the person performing the work.

The hourly rates (current as at 1 July 2019) for remuneration together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take are set out below:

Title	General description of experience	\$/Hour ¹
Partner/Appointee	Registered Liquidator-trustee or Partner bringing his or her specialist skills to the administration or insolvency task.	600
Director	CA or CPA qualified with generally more than 10 years insolvency experience.	500
Manager 1	More than 7 years' insolvency experience, CA or CPA qualified. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent.	440
Manager 2		390
Supervisor	5-7 years. CA and will normally have completed a specialist insolvency course. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.	350
Senior 1	3-5 years. CA (or equivalent) would normally be completed within this period. Assists planning and control medium sized jobs as well as performing some of the more difficult work on larger jobs.	310
Senior 2		270
Intermediate	2-3 years. CA (or equivalent) under-way. Required to control the fieldwork on small to medium jobs and is responsible for assisting complete fieldwork medium to large jobs.	240
Graduate 1	0-2 years. Graduate gaining professional experience. Required to assist in day-to-day fieldwork under supervision of more senior staff.	210
Graduate 2		190
Cadet	Undergraduate Required to assist in day-to-day fieldwork under supervision of more senior staff	160
Secretary	Appropriate skills including machine usage.	130

Note 1. **Excluding GST**, the hourly rates charged encompass the total cost of providing professional services including our office overhead and should not be compared to an hourly wage.

There are also methods, other than a **Time Basis**, that may be used to calculate remuneration such as: **Fixed Fee** arrangements, fixing a fee for an agreed set of tasks; **Percentage**, calculating a fee using a formula e.g. x% of gross proceeds of asset realisations.

Externally provided services (Out-of-pocket expenses) such as advertising, company searches, courier charges and legal advice are charged at cost. HLB Mann Judd (NSW) does not charge for internal disbursements such as printing, postage & stationary or telephone charges unless those services have been outsourced in which case, they are also charged at cost.

We are of the opinion that the time basis of calculating remuneration is the most appropriate method as it ensures that creditors are charged only for work performed and generally the exact extent and nature of work required to be performed in an insolvency administration is not immediately apparent.

Creditors can access an information sheet on approving remuneration on ASIC's website www.asic.gov.au/regulatory-resources/insolvency or the ARITA website www.arita.com.au

11. ASIC Information Sheet

Insolvency information for directors, employees, creditors and Shareholders

ASIC has nine insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There's also a glossary of commonly used insolvency terms.

The Australian Restructuring Insolvency & Turnaround Association ("ARITA"), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of insolvency information sheets

- Insolvency: a glossary of terms
- Voluntary administration: a guide for creditors
- Voluntary administration: a guide for employees
- Liquidation: a guide for creditors
- Liquidation: a guide for employees
- Receivership: a guide for creditors
- Receivership: a guide for employees
- Insolvency: a guide for shareholders
- Insolvency: a guide for directors

Getting copies of these information sheets

Visit ASIC's website www.asic.gov.au/insolvencyinfosheets.

You can also visit the ARITA's website www.arita.com.au/news-preview/2011/11/30/asic-insolvency-information-sheets. This site also contains the ARITA's Statements of Best Practice, applicable to ARITA members.

Important note: These information sheets contain a summary of basic information on the topic. They are not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. They may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

REMUNERATION APPROVAL REPORT

INDUS CONSOLIDATED PTY LTD (ADMINISTRATORS
APPOINTED)

19 November 2019



**Indus Consolidated Pty Limited
(Administrators Appointed)**

This remuneration approval report provided you with the information you need to be able to make an informed decision regarding the approval of my remuneration for undertaking the Voluntary Administration of Indus Consolidated Pty Ltd (Administrators Appointed).

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You should read this report and the other documentation that I have sent you and then attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

Alternatively, you are also able to appoint a representative to attend on your behalf by lodging a proxy form. Lodging a specific proxy form allows you to specify how your proxy must vote. Lodging a general proxy form allows your representative to choose how your vote is exercised. Information about the meeting of creditors is provided at part 8 of this report.

If you have any questions or need any assistance, please contact James Scarcella on (02) 9020 4146 or via email at jscarcella@hlbns.com.au.

1. Declaration

We, Todd Gammel and Barry Taylor of HLB Mann Judd have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of Indus Consolidated Pty Limited in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

We have reviewed the work in progress report for the Administration to ensure that remuneration is only being claimed for necessary and proper work performed.

2. Executive Summary

We provide the following summary of our remuneration below:

Remuneration	Report Reference	Amount \$ (Excluding GST)
Current Remuneration approval sought:		
Voluntary Administration Period		
Resolution 1: Retrospective Voluntary Administrators' remuneration for the period 23 October 2019 to 15 November 2019.	3.2.1	\$22,571.00
Resolution 3: Prospective Voluntary Administrators' remuneration for the period 16 November 2019 to 27 November 2019. **	3.2.2	\$10,000.00
Resolution 4: Prospective Voluntary Administrators' remuneration for the period 28 November 2019 to finalisation of Administration. **	3.2.3	\$5,000.00
Total Remuneration for the Voluntary Administration*		\$37,571.00
Deed of Company Arrangement ("DOCA") Period		
Resolution 5: If resolved that the Company enter into a DOCA, prospective Deed Administrators remuneration from the date of execution of the DOCA to completion of the DOCA. **	3.2.4	\$10,000.00
Total Remuneration for Deed of Company Arrangement		\$10,000.00
Liquidation Period		
Resolution 6: If resolved that the Company Liquidation, prospective Liquidator remuneration for the period 28 November 2019 to the finalisation of the Liquidation. **	3.2.5	\$20,000.00
Total Remuneration for Liquidation		\$20,000.00
*Actual and estimated time costs incurred for the Administration period is expected to exceed the amount requested for approval; however, the Administrators only seek approval for \$37,571.00 (excluding GST) for this period.		
**Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the Administration/Deed of Company Arrangement/Liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

There are not any internal disbursements relating to our appointment of Indus Consolidated Pty Ltd (Administrators Appointed).

Please refer to report section references detailed in the above table for full details of the remuneration approval sought.

3. Remuneration

3.1 Remuneration claim resolutions

We will be seeking approval for the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3.2 and in the attached schedules.

Resolution 1 (retrospective remuneration): 23 October 2019 to 15 November 2019

Resolution 1 – Voluntary Administration			
Company	Indus Consolidated Pty Ltd	Period	23 October 2019 to 15 November 2019
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Voluntary Administration		
Proposed Resolution	<i>“That the remuneration of the Administrators’ for the period 23 October 2019 to 15 November 2019 calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment in the sum of \$22,571.00 (excluding GST), and that the Administrators can draw the remuneration immediately or as required.”</i>		

Resolution 2 (prospective remuneration): 16 November 2019 to 27 November 2018 (Second Meeting)

Resolution 2 – Voluntary Administration			
Company	Indus Consolidated Pty Ltd	Period	16 November 2019 to 27 November 2018 (Second Meeting)
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Voluntary Administration		
Proposed Resolution	<i>“That the future remuneration of the Administrators’ for the period 16 November 2019 to 27 November 2018 (Second Meeting) calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment, up to a capped amount of \$10,000.00 (excluding GST) and that the Administrators can draw the remuneration on a monthly basis or as required.”</i>		

Resolution 3 (prospective remuneration): 28 November 2019 to finalisation of Administration.

Resolution 3 – Voluntary Administration			
Company	Indus Consolidated Pty Ltd	Period	28 November 2019 to finalisation of Administration.
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Voluntary Administration		
Proposed Resolution	<i>“That the future remuneration of the Administrators’ for the period 28 November 2019 to finalisation of Administration calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment up to a capped amount of \$5,000.00 (excluding GST), and that the Administrators can draw the remuneration on a monthly basis or as required.”</i>		

Resolution 4 (prospective Deed Administrators remuneration): Date of execution of the DOCA to completion of the DOCA.

Resolution 4 – Deed of Company Arrangement (“DOCA”)			
Company	Indus Consolidated Pty Ltd	Period	Date of execution of the DOCA to completion of the DOCA.
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Deed of Company Arrangement		
Proposed Resolution	<i>“That the future remuneration of the Deed Administrators for the period between the date of execution of the DOCA to completion of the DOCA be calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved up to a capped amount of \$10,000.00 (excluding GST) and that the Deed Administrators’ can draw the remuneration on a monthly basis or as required.”</i>		

Resolution 5 (prospective Liquidators remuneration): 27 November 2019 (Second Meeting) to the finalisation of the Liquidation.

Resolution 5 – Liquidation			
Company	Indus Consolidated Pty Ltd	Period	28 November 2019 to the finalisation of the Liquidation.
Practitioners	Todd Gammel and Barry Taylor	Firm	HLB Mann Judd (NSW)
Administration Type	Liquidation		
Proposed Resolution	<i>“That the future remuneration of the Liquidators’ for the period 28 November 2019 to the finalisation of the Liquidation calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment up to a capped amount of \$20,000.00 (excluding GST) and that the Liquidators can draw the remuneration on a monthly basis or as required.”</i>		

3.2 Detail of remuneration

The basis of calculating the remuneration claims are summarised below and the details of the major tasks performed and the costs associated with each of those major tasks are contained in Schedules 1 to 5.

3.2.1 Resolution 1 (retrospective remuneration): 23 October 2019 to 15 November 2019

The below table sets out time charged to each major task area by staff members working on the Administration for the period 23 October 2019 to 15 November 2019 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 1.

Client: Indus Consolidated Pty Ltd (Administrators Appointed)
 Summary of Remuneration from: 23/10/2019 - 15/11/2019
 Matter: Voluntary Administrators

Person	Position	\$/hour	Total Hours	Total (\$)	Task Area									
					Assets		Creditors		Investigation		Administration		Trade On	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Barry Taylor	Partner	600.00	0.80	480.00	0.20	120.00	0.60	360.00	-	-	-	-	-	-
Todd Gammel	Partner	600.00	6.10	3,660.00	-	-	2.60	1,560.00	1.90	1,140.00	-	-	1.60	960.00
Matthew Levesque-Hocking	Manager	500.00	1.70	850.00	1.00	500.00	0.70	350.00	-	-	-	-	-	-
Andrew Mulcahy	Manager	440.00	12.20	5,368.00	8.15	3,586.00	2.30	1,012.00	1.50	660.00	0.25	110.00	-	-
Kurt Hopcroft	Senior 2	270.00	37.90	10,233.00	0.80	216.00	10.70	2,889.00	17.80	4,806.00	4.00	1,080.00	4.60	1,242.00
Richard Connelly	Senior 2	270.00	3.60	972.00	-	-	3.60	972.00	-	-	-	-	-	-
James Scarcella	Intermediate	240.00	4.20	1,008.00	3.10	744.00	-	-	1.00	240.00	0.10	24.00	-	-
Total Remuneration			66.50	22,571.00	13.25	5,166.00	20.50	7,143.00	22.20	6,846.00	4.35	1,214.00	6.20	2,202.00
GST				2,257.10		516.60		714.30		684.60		121.40		220.20
Total Remuneration (Incl. GST)				24,828.10		5,682.60		7,857.30		7,530.60		1,335.40		2,422.20
<i>Average hourly rate (Excl. GST)</i>				373.35										

3.2.2 Resolution 2 (prospective Administrators' remuneration): 16 November 2019 to 27 November 2019 (Second Meeting)

The below table sets out the expected costs for major tasks likely to be performed by the Administrators and their staff from the 16 November 2019 to 27 November 2019 (Second Meeting) which is the basis of the Resolution 3 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 2.

Task	Hours	Amount \$ (excluding GST)
Assets	9.0	3,545.00
Creditors	9.0	3,685.00
Trade On	5.0	1,550.00
Investigations	3.0	980.00
Administration	1.0	240.00
Total	27	10,000.00

3.2.3 Resolution 3 (prospective Administrators' remuneration): 28 November 2019 to finalisation of Administration

The below table sets out the expected costs for major tasks likely to be performed by the Administrators and their staff from the 28 November 2019 to finalisation of Administration which is the basis of the Resolution 4 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 3.

Task	Hours	Amount \$ (excluding GST)
Assets	3.5	1,175.00
Creditors	4.0	1,465.00
Employees	2.0	840.00
Trade On	2.0	510.00
Investigations	2.0	770.00
Administration	1.0	240.00
Total	14.5	5,000.00

3.2.4 Resolution 4 (prospective Deed Administrators' remuneration): Date of execution of the DOCA to completion of the DOCA.

The below table sets out the expected costs for major tasks likely to be performed by the Deed Administrators and their staff from the date of execution of the DOCA to completion of the DOCA which is the basis of the Resolution 5 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 4.

Task	Hours	Amount \$ (excluding GST)
Assets	7.0	2,390.00
Creditors	9.0	3,710.00
Employees	4.0	1,840.00
Dividend	5.5	1,820.00
Administration	1.0	240.00
Total	26.5	10,000.00

3.2.5 Resolution 5 (prospective Liquidators’ remuneration): 28 November 2019 to the finalisation of the Liquidation.

The below table sets out the expected costs for major tasks likely to be performed by the Liquidators and their staff from 28 November 2019 to the finalisation of the Liquidation which is the basis of the Resolution 6 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are contained in Schedule 5.

Task	Hours	Amount \$ (excluding GST)
Assets	13.0	4,880.00
Creditors	12.0	4,300.00
Employees	8.0	3,220.00
Investigation	7.0	3,120.00
Dividend	12.0	4,000.00
Administration	2.0	480.00
Total	54.0	20,000.00

3.3 Total Remuneration Reconciliation

At this point in time I estimate that the total remuneration for the Voluntary Administration of both Indus Mining Services Pty Ltd and Indus Consolidated Pty Ltd (“the Indus Group”) will be \$521,025.00 (excluding GST). This includes the current approval amount being sought of \$22,571.00 for Indus Consolidated Pty Ltd (Administrators Appointed).

This estimate differs to the estimate of costs provided in the Initial Remuneration Notice dated 24 October 2019, which estimated a cost of the administration of \$450,000 (excluding GST and disbursements) for the Indus Group.

The variance in estimated costs for the Administrators of Indus Group of circa \$71,025 relates to an allowance for the interim Administration period following the second meeting to finalisation and execution of the DOCA.

Although remuneration for the Administration of Indus Consolidated Pty Ltd (Administrators Appointed) of \$37,571.00 is being sought, it is expected that actual costs will exceed this amount.

The Administrators do not intend to ask creditors for further approval to cover these costs.

3.4 Likely impact on dividends

The Corporations Act sets the order for the payment of claims against the company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the appointees receive payment for the work done to recover assets, investigate the company’s affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including claims by priority creditors such as employees.

On the basis of the following:

- Realisation to date;
- Estimated future realisations;

- Our estimate remuneration to complete the Voluntary Administration and Deed of Company Arrangement or Liquidation; and
- The estimated total creditor claims based on the company's records and claims lodged now.

It is highly unlikely that there will be surplus assets available to pay a dividend to any creditors of Indus Consolidated Pty Ltd (Administrators Appointed). For absolute clarity, this does not apply to the majority of creditors of the Indus Group, who are creditors of Indus Mining Services Pty Ltd (Administrators Appointed).

3.5 Remuneration recovered from external sources

I provide the below disclosure regarding potential remuneration recovery from external sources, as detailed in the updated Declaration of Independence, Relevant Relationships and Indemnities sent to creditors on 12 November 2019.

On 31 October 2019, the Administrators caused the Indus Group to enter into the following financial arrangements with the Secured Creditors in order to facilitate the ongoing trading of the Indus Group and thereby seek to preserve the companies' business, or as much of it as practicable, ahead of the second creditors' meetings:

1. The Secured Creditors consented to the Administrators applying up to \$5.7m of secured cash (including proceeds held in the Receivables Account in the name of the Security Trustee and funds generated from the sale of non-circulating secured assets) to enable the Indus Group to continue to operate and meet the costs of the Administration; and
2. The Secured Creditors provided the Indus Group with an indemnity of up to \$2.4m (plus GST) in relation to any loss, claim or liability in connection with the pre-appointment entitlements of employees.

The \$5.7m of secured cash in point 1 above may be utilised to pay the Administrators remuneration and disbursements as a component of the costs of the Administration.

4. Disbursements

We do not seek approval to pay any internal disbursements from creditors on the basis that:

- There have not been any disbursements relating to Indus Consolidated Pty Ltd incurred during administration; and
- We do not expect any disbursements relating to Indus Consolidated Pty Ltd to be incurred in future.

5. Report on progress of the Administration

Please refer to the Report to Creditors dated 19 November 2019 for a comprehensive report on the status of the administration.

6. Summary of Receipts and Payments

A summary of the receipts and payments for the Voluntary Administration as at 15 November 2019 is in section 9 of the Administrators' Report to Creditors dated 19 November 2019.

7. Queries

If you have any queries in relation to the information in this report, please contact James Scarcella of this office of (02) 9020 4146 or via email on jscarcella@hlbns.com.au

8. Approval of remuneration and disbursements

Creditor approval of the remuneration and disbursement resolutions contained in this report will be sought at the meeting of Creditors scheduled for Wednesday 27 November 2019. Details and notice of the meeting are contained in the Report to Creditors dated 19 November 2019.

9. Schedules

SCHEDULE 1 – RETROSPECTIVE RESOLUTION – VOLUNTARY ADMINISTRATION

The below table sets out the estimated cost for each major task area for the Voluntary Administration for the period 23 October 2019 to 15 November 2019.

Task Area	General Description	Includes
Assets Number of hours: 13.25 Cost: \$5,166.00	Sale of Business as a Going Concern	Internal meetings to discuss/review offers received Collation of information to provide to interested parties Liaising with interested parties in respect to purchase of assets Advanced discussions with interested parties regarding their offer for business Consideration of alternate options and outcomes for creditors
	Plant and Equipment	Reviewing PPSR, liaising with suppliers, valuers and interested parties Reviewing asset listings
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with broker regarding initial and ongoing insurance requirements Reviewing insurance policies Reviewing pre appointment insurance policies
	Stock	Conducting stock takes Reviewing stock values Liaising with suppliers
	Other Assets	Tasks associated with realising other assets
	Leasing	Reviewing leasing documents Liaising with owners/lessors Negotiating terms with landlords
Creditors Number of hours: 20.50 Cost: \$7,143.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Preparing circulars to creditors Preparing s75-225 report to creditors
	Secured Creditors	Correspondence with PPSR creditors Reviewing PPSR creditor claims Corresponding with suppliers with stock/ assets subject to security interests Negotiating settlements with suppliers in respect of assets subject to security interests Obtain legal advice in respect to secured parties' security interest over company assets
	Dealing with proofs of debt	Receipting and filing POD's Corresponding with ATO regarding POD's
	Deed of Company Arrangement	Discussing potential DOCA proposals and liaising with relevant parties

Task Area	General Description	Includes
	Meeting of Creditors	Preparation meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.
Trade On Number of hours: 6.20 Cost: \$2,202.00	Trade On Management	Liaising with suppliers, management and staff regarding operations Reviewing supplier and customer contracts Attendance on site Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt and payment vouchers Preparing cash reconciliations
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting & financial reporting	Liaising with management in respect of the preparation of trading forecasts and analysing performance including reconciliations of income and operating expenditure Reviewing company's budgets and financial statements Preparing budgets and cash flow forecasts Meetings to discuss trading position
Investigation Number of hours: 22.20 Cost: \$6,846.00	Conducting investigation	Collection of company books and records Reviewing company's books and records Review and preparation of company nature and history Conducting and summarising statutory searches Preparation of comparative financial statements Preparation of deficiency statement Preparation of investigation file
Administration Number of hours: 4.35 Cost: \$1,214.00	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Bank account administration	Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505 etc
	ATO & other statutory reporting	Notification of appointment
	Planning / Review	Discussions regarding status of administration

SCHEDULE 2 – PROSPECTIVE RESOLUTION – VOLUNTARY ADMINISTRATION

The below table sets out the estimated cost for each major task area for the Voluntary Administration for the period 16 November 2019 to 27 November 2019.

Task Area	General Description	Includes
Assets Number of hours: 9.0 Cost: \$3,545.00	Sale of Business as a Going Concern	Meetings to discuss/review offers received, assessing basis of offer, key terms and benefits to creditors Liaising with interested parties in respect to purchase of assets Negotiating key terms of sale and asset sale agreement including liaising with lawyers and advisors, reviewing draft sale agreement, related documents and assessing impact of proposed amendments Consideration of alternate options and outcomes for creditors Assessment of purchaser funding for sale Meeting and correspondence with lawyers relating to sale agreement
	Plant and Equipment	Liaising with suppliers, valuers and interested parties
	Other Assets	Tasks associated with realising other assets
Creditors Number of hours: 9.0 Cost: \$3,645.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Finalising s75-225 report to creditors Assessment of DOCA Proposal and liquidation outcome for creditors Consider Administrators recommendation and document
	Secured Creditors	Reviewing PPSR creditor claims Negotiating settlements with suppliers in respect of stock/ assets subject to security interests
	Dealing with proofs of debt	Receipting and filing POD's Corresponding with ATO regarding POD's
	Deed of Company Arrangement	Reviewing DOCA proposal submission and liaising with Director's representative regarding same. Comparing likely return under DOCA proposal to Liquidation
Meeting of Creditors	Preparation meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Preparation and lodgement minutes of meetings with ASIC	
Trade On Number of hours: 5 Cost: \$1,550.00	Trade On Management	Liaising with suppliers, management and staff regarding operations Reviewing supplier and customer contracts Attendance on site Authorising purchase orders

Task Area	General Description	Includes
		Maintaining purchase order registry Preparing and authorising receipt and payment vouchers Preparing daily cash reconciliations
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting & financial reporting	Analysing performance including reconciliations of income and operating expenditure Preparing budgets and cash flow forecasts Finalising trading profit or loss Meetings to discuss trading position
Investigation Number of hours: 3 Cost: \$980.00	Conducting investigation	Reviewing company's books and records Review of comparative financial statements Review of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions
Administration Number of hours: 1 Cost: \$240.00	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	Planning / Review	Preparing BAS'

SCHEDULE 3 – PROSPECTIVE RESOLUTION – VOLUNTARY ADMINISTRATION

The below table sets out the estimated cost for each major task area for the Voluntary Administration for the period 27 November 2019 to finalisation of Administration.

Task Area	General Description	Includes
Assets Number of hours: 3.5 Cost: \$1,175.00	Sale of Business as a Going Concern	Meetings to discuss/review offers received, assessing basis of offer, key terms and benefits to creditors Negotiating key terms of sale and asset sale agreement including liaising with lawyers and advisors, reviewing draft sale agreement, related documents and assessing impact of proposed amendments Assessment of purchaser funding for sale Meeting and correspondence with lawyers relating to sale agreement
	Plant and Equipment	Liaising with suppliers, valuers and interested parties
	Other Assets	Tasks associated with realising other assets
Creditors Number of hours: 4.0 Cost: \$1,465.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Assessment of DOCA Proposal and liquidation outcome for creditors Consider Administrators recommendation and document
	Dealing with proofs of debt	Receipting and filing POD's Corresponding with ATO regarding POD's
	Deed of Company Arrangement	Reviewing DOCA proposal submission and liaising with Director's representative regarding same. Comparing likely return under DOCA proposal to Liquidation
Employees Number of hours: 2.0 Cost: \$840.00	Employees enquiry	Receive and follow up employee enquiries via telephone and email Review and prepare correspondence to creditors and their representatives via facsimile, email and post Liaising with staff including providing updates on the Administration process, responding to individual queries and attending staff meetings to discuss issues with regard to ongoing operations and the sale process
	Calculation of entitlements	Reviewing employee files and company's books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
Trade On Number of hours: 2.0 Cost: \$510.00	Trade On Management	Liaising with suppliers, management and staff regarding operations Reviewing supplier and customer contracts Attendance on site Authorising purchase orders Maintaining purchase order registry Preparing and authorising receipt and payment vouchers Preparing daily cash reconciliations

Task Area	General Description	Includes
	Processing receipts and payments	Entering receipt and payments into accounting system
	Budgeting & financial reporting	Analysing performance including reconciliations of income and operating expenditure Preparing budgets and cash flow forecasts Finalising trading profit or loss Meetings to discuss trading position
Investigation Number of hours: 2.0 Cost: \$770.00	Conducting investigation	Reviewing company's books and records Review of comparative financial statements Review of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Lodging report pursuant to section 438D with the ASIC
Administration Number of hours: 1.0 Cost: \$240.0	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Bank account administration	Bank account reconciliations Correspondence with bank regarding specific transfers
	ATO & other statutory reporting	Preparing BAS'
	Planning / Review	Discussions regarding status of administration

SCHEDULE 4 – PROSPECTIVE RESOLUTION – DOCA

The below table sets out the estimated cost for each major task area for the Deed of Company Arrangement (“DOCA”) from the execution of the DOCA to the Effectuation of the DOCA.

Task Area	General Description	Includes
Assets Number of hours: 7.0 Cost: \$2,390.00	Other Assets	Tasks associated with realising other assets
	DOCA Contributions	Monitoring compliance with the terms of the DOCA including payment of the DOCA contribution amounts.
Creditors Number of hours: 9.0 Cost: \$3,710.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	Preparing general reports to creditors as required
	Dealing with proofs of debt	Receipting and filing POD’s when not related to a dividend Corresponding with ATO regarding POD’s when not related to a dividend
	Meeting of Creditors	Convene creditor meetings as required Preparation and lodgement of minutes of meeting with ASIC Respond to stakeholder queries nad questions immediately following meeting
Employees Number of hours: 4.0 Cost: \$1,840.00	Calculation of entitlements	Calculating employee entitlements Reviewing employee files and company’s books and records Reconciling superannuation accounts Reviewing awards Liaising with solicitors regarding entitlements
	Employee Dividend	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate and preparing dividend file Advertising dividend notice Preparing distribution and adjudicating POD’s Ensuring PAYG is remitted to ATO
Dividend Number of hours: 5.50 Cost: \$1,820.00	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of and adjudication PODs Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend

Task Area	General Description	Includes
		Advertise announcement of dividend Preparation for distribution and dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
Administration Number of hours: 1.0 Cost: \$240.00	Bank account administration	Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc.
	ATO & other statutory reporting	Preparing BAS' Completing payment summaries
	Planning / Review	Discussions regarding status of administration
	Document maintenance/file review/checklist	Monthly administration review and filing of documents File reviews and updating checklists

SCHEDULE 5 – PROSPECTIVE RESOLUTION – LIQUIDATION

The below table sets out the estimated cost for each major task area for the Liquidation from 27 November 2019 to the finalisation of the Liquidation.

Task Area	General Description	Includes
Assets Number of hours: 13.0 Estimated Cost: \$4,880.00	Other Assets	Tasks associated with realising other assets including recovery for unfair preferences. Recovery actions against Director
Creditors Number of hours: 12.0 Estimated Cost: \$4,300.00	Creditor Enquiries	Receive and follow up creditor enquiries via telephone & maintaining creditor enquiry register. Review and prepare correspondence to creditors and their representatives via email and post.
	Creditor reports	Preparing general and annual reports to creditors.
	Dealing with proofs of debt	Receipting and filing POD's when not related to a dividend. Corresponding with OSR and ATO regarding POD's when not related to a dividend.
	Meeting of Creditors	Convene creditors meetings as required. Preparation and lodgement of minutes of meetings with ASIC. Respond to stakeholder queries and questions immediately following meeting.
Employees Number of hours: 8.0 Estimated Cost: \$3,220.00	Employees enquiry	Receive and follow up employee enquiries via telephone. Maintain employee enquiry register. Review & prepare correspondence to creditors and their representatives via facsimile, email & post. Preparation of letters to employees advising of their entitlements and options available. Receive and prepare correspondence in response to employees objections to leave entitlements.
	FEG	Correspondence with FEG. Preparing notification spreadsheet. Preparing any FEG quotations and distributions.
	Calculation of entitlements	Calculating employee entitlements. Reviewing employee files and company's books and records. Reconciling superannuation accounts. Reviewing contracts, awards and national employment standards. Liaising with solicitors regarding entitlements.
	Employee dividend	Correspondence with employees regarding dividend. Correspondence with ATO regarding SGC proof of debt.

Task Area	General Description	Includes
		Calculating dividend rate and preparing dividend file. Advertising dividend notice. Preparing distribution. Receipting & adjudicating POD's if required. Ensuring PAYG is remitted to ATO.
Investigation Number of hours: 7.0 Estimated Cost: \$3,120.00	Conducting investigation	Preparation of investigation file. Review potential preference payments. Prepare demands to preference creditors. Review potential insolvent trading claim. Review potential claims against Director for breaches of director duties. Consider recovery action for identified claims. Lodgement of report pursuant to section 533 with the ASIC. Preparation and lodgement of supplementary report if required.
	Litigation / Recoveries	Internal meetings to discuss status of litigation if required. Preparing brief to solicitors if required. Liaising with solicitors regarding recovery actions if required. Attending to negotiations if required. Attending to settlement matters if required.
	ASIC reporting	Preparing statutory investigation reports. Liaising with ASIC.
Dividend Number of hours: 12.0 Estimated Cost: \$4,000.00	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD. Receipt of and adjudicating PODs. Request further information from claimants regarding POD. Preparation of correspondence to claimant advising outcome of adjudication.
	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend. Advertisement of intention to declare dividend. Preparation of dividend calculation. Preparation of correspondence to creditors announcing declaration of dividend. Advertise announcement of dividend. Preparation of distribution and dividend file. Preparation of payment vouchers to pay dividend. Preparation of correspondence to creditors enclosing payment of dividend.
Administration Number of hours: 2.0 Estimated Cost: \$480.00	Document maintenance/file review/checklist	Monthly administration review. Filing of documents and file reviews. Updating checklists.
	Bank account administration	Preparing correspondence opening and closing accounts. Requesting bank statements. Bank account reconciliations. Correspondence with bank regarding specific transfers.

Task Area	General Description	Includes
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524, 911 etc. Correspondence with ASIC regarding statutory forms.
	ATO & other statutory reporting	Preparing BAS'. Completing payment summaries.
	Finalisation	Notifying ATO of finalisation. Cancelling ABN/GST/PAYG registration. Completing checklists.
	Books and records / storage	Dealing with records in storage. Sending job files to storage.

10. Guide to Remuneration

Business Recovery and Insolvency (NSW) – Guide to Remuneration

It is the general practice of HLB Mann Judd (NSW) to calculate remuneration for Business Recovery and Insolvency matters by reference to the hours worked by the Insolvency Practitioner, their partners and staff and an hourly rate based on the level of experience of the person performing the work.

The hourly rates (current as at 1 July 2019) for remuneration together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take are set out below:

Title	General description of experience	\$/Hour ¹
Partner/Appointee	Registered Liquidator-trustee or Partner bringing his or her specialist skills to the administration or insolvency task.	600
Director	CA or CPA qualified with generally more than 10 years insolvency experience.	500
Manager 1	More than 7 years' insolvency experience, CA or CPA qualified. Answerable to the appointee but otherwise responsible for all aspects of administration. Experienced at all levels and considered very competent.	440
Manager 2		390
Supervisor	5-7 years. CA and will normally have completed a specialist insolvency course. Will have had conduct of minor administrations and experience in control of 1-3 staff. Assists planning and control of medium to larger jobs.	350
Senior 1	3-5 years. CA (or equivalent) would normally be completed within this period. Assists planning and control medium sized jobs as well as performing some of the more difficult work on larger jobs.	310
Senior 2		270
Intermediate	2-3 years. CA (or equivalent) under-way. Required to control the fieldwork on small to medium jobs and is responsible for assisting complete fieldwork medium to large jobs.	240
Graduate 1	0-2 years. Graduate gaining professional experience. Required to assist in day-to-day fieldwork under supervision of more senior staff.	210
Graduate 2		190
Cadet	Undergraduate Required to assist in day-to-day fieldwork under supervision of more senior staff	160
Secretary	Appropriate skills including machine usage.	130

Note 1. **Excluding GST**, the hourly rates charged encompass the total cost of providing professional services including our office overhead and should not be compared to an hourly wage.

There are also methods, other than a **Time Basis**, that may be used to calculate remuneration such as: **Fixed Fee** arrangements, fixing a fee for an agreed set of tasks; **Percentage**, calculating a fee using a formula e.g. x% of gross proceeds of asset realisations.

Externally provided services (Out-of-pocket expenses) such as advertising, company searches, courier charges and legal advice are charged at cost. HLB Mann Judd (NSW) does not charge for internal disbursements such as printing, postage & stationary or telephone charges unless those services have been outsourced in which case, they are also charged at cost.

We are of the opinion that the time basis of calculating remuneration is the most appropriate method as it ensures that creditors are charged only for work performed and generally the exact extent and nature of work required to be performed in an insolvency administration is not on a monthly basis apparent.

Creditors can access an information sheet on approving remuneration on ASIC's website www.asic.gov.au/regulatory-resources/insolvency or the ARITA website www.arita.com.au

11. ASIC Information Sheet

Insolvency information for directors, employees, creditors and Shareholders

ASIC has nine insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There's also a glossary of commonly used insolvency terms.

The Australian Restructuring Insolvency & Turnaround Association ("ARITA"), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of insolvency information sheets

- Insolvency: a glossary of terms
- Voluntary administration: a guide for creditors
- Voluntary administration: a guide for employees
- Liquidation: a guide for creditors
- Liquidation: a guide for employees
- Receivership: a guide for creditors
- Receivership: a guide for employees
- Insolvency: a guide for shareholders
- Insolvency: a guide for directors

Getting copies of these information sheets

Visit ASIC's website www.asic.gov.au/insolvencyinfosheets.

You can also visit the ARITA's website www.arita.com.au/news-preview/2011/11/30/asic-insolvency-information-sheets. This site also contains the ARITA's Statements of Best Practice, applicable to ARITA members.

Important note: These information sheets contain a summary of basic information on the topic. They are not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. They may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

Annexure E

CORPORATIONS ACT 2001
Section 436E

Section 439A
Insolvency Practice Rules (Corporations)
75-10, 75-15, 75-20

NOTICE OF CONCURRENT MEETINGS OF
CREDITORS OF COMPANY UNDER ADMINISTRATION

Indus Mining Services Pty Ltd (Formerly Indus Civil & Mining Pty Ltd) ACN 129 804 968
Indus Consolidated Pty Limited (Formerly Indus Holdco Ltd and Indus Consolidated Ltd)
ACN 630 577 641
(All Administrators Appointed) (Collectively known as the "Indus Group")

On 23 October 2019, the Indus Group under section 436A appointed Todd Andrew Gammel and Barry Anthony Taylor of HLB Mann Judd, Level 19, 207 Kent Street, SYDNEY NSW 2000 as the Joint and Several Administrators of the Indus Group.

Notice is now given that concurrent meetings of the creditors of the Indus Group will be held at the Institute of Chartered Accountants, Australia and New Zealand, Level 11, 2 Mill Street, Perth WA 6000 on Wednesday, 27 November 2019 at 11:00am AWST.

Agenda

General Resolutions

1. To receive a Report about the Indus Groups business, property, affairs and financial circumstances;
2. To receive a statement to creditors by one of the directors, explaining the circumstances leading up to the Administration;
3. To receive the report of the Administrators;
4. Questions from creditors;
5. For creditors to resolve, in respect of each company in the Indus Group:
 - a. that the company execute a Deed of Company Arrangement; or
 - b. that the administration should end; or
 - c. that the company be wound up.
6. Creditors may also by resolution nominate a different person(s) other than the Administrators to be the Deed Administrator(s) of any Deed of Company Arrangement or the Liquidator(s), if the company is wound up.
7. Any other business.

Remuneration Resolutions

Indus Mining Services Pty Ltd

8. "That the remuneration of the Administrators' for the period 23 October 2019 to 15 November 2019 calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment in the sum of \$302,289.00 (plus GST), and that the Administrators can draw the remuneration immediately or as required."
9. "That the outsourced remuneration of the Administrators' relating to tasks performed by HLB Mann Judd (Insolvency WA) for the period from 23 October 2019 to 15 November 2019 calculated at hourly rates as detailed in 3.2.2 in this report is approved for payment in the sum of \$1,164.70 (plus GST), and that the Administrators can draw the remuneration immediately or as required."

10. "That the future remuneration of the Administrators' for the period 16 November 2019 to 27 November 2018 (Second Meeting) calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment, up to a capped amount of \$120,000.00 (plus GST) and that the Administrators can draw the remuneration on a monthly basis or as required."
11. "That the future remuneration of the Administrators' for the period 28 November 2019 to finalisation of Administration calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment up to a capped amount of \$60,000.00 (excluding GST), and that the Administrators can draw the remuneration on a monthly basis or as required."
12. "That the future remuneration of the Deed Administrators for the period between the date of execution of the DOCA to completion of the DOCA be calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved up to a capped amount of \$80,000.00 (excluding GST) and that the Deed Administrators' can draw the remuneration on a monthly basis or as required."
13. "That the future remuneration of the Liquidators' for the period 28 November 2019 to the finalisation of the Liquidation calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment up to a capped amount of \$100,000.00 (excluding GST) and that the Liquidators can draw the remuneration on a monthly basis or as required."
14. "That the disbursements of the Administrators' for the period 15 November 2019 to finalisation of the Administration calculated at rates detailed in the Initial Remuneration Notice dated 24 October 2019 is approved for payment up to a capped amount of \$5,000.00 (excluding GST), and that the Administrators can draw the remuneration immediately or as required."
15. "That the future disbursements of the Deed Administrators for the period between the date of execution of the DOCA to completion of the DOCA calculated at rates detailed in the Initial Remuneration Notice dated 24 October approved for payment up to a capped amount of \$5,000.00 (excluding GST) and that the Deed Administrators can draw the remuneration immediately or as required."
16. "That the future disbursements of the Liquidators' for the period 28 November 2019 to the finalisation of the Liquidation calculated at rates detailed in the Initial Remuneration Notice dated 24 October approved for payment up to a capped amount of \$5,000.00 (excluding GST) and that the Liquidators can draw the remuneration immediately or as required."

Indus Consolidated Pty Limited

17. "That the remuneration of the Administrators' for the period 23 October 2019 to 15 November 2019 calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment in the sum of \$22,571.00 (excluding GST), and that the Administrators can draw the remuneration on a immediately or as required."
18. "That the future remuneration of the Administrators' for the period 16 November 2019 to 27 November 2018 (Second Meeting) calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment, up to a capped amount of \$10,000.00 (excluding GST) and that the Administrators can draw the remuneration on a monthly basis or as required."
19. "That the future remuneration of the Administrators' for the period 28 November 2019 to finalisation of Administration calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment up to a capped amount of \$5,000.00 (excluding GST), and that the Administrators can draw the remuneration on a monthly basis or as required."
20. "That the future remuneration of the Deed Administrators for the period between the date of execution of the DOCA to completion of the DOCA be calculated at hourly rates as detailed

in the report to creditors of 19 November 2019 is approved up to a capped amount of \$10,000.00 (excluding GST) and that the Deed Administrators' can draw the remuneration on a monthly basis or as required."

21. "That the future remuneration of the Liquidators' for the period 28 November 2019 to the finalisation of the Liquidation calculated at hourly rates as detailed in the report to creditors of 19 November 2019 is approved for payment up to a capped amount of \$20,000.00 (excluding GST) and that the Liquidators can draw the remuneration on a monthly basis or as required."

Proxy Forms

Attendance at the meetings is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

A special proxy can be lodged showing approval or rejection of each resolution. Proxy forms must be given to us as Joint and Several Administrators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meetings, prior to the commencement of the meetings.

Creditors wishing to attend by teleconference should contact Gus Sloan of this office at gsloan@hlbnsw.com.au to be provided with teleconference details.

DATED this 19th day of November 2019.



T A Gammel
Administrator

HLB Mann Judd
Level 19
207 Kent Street
SYDNEY NSW 2000
Telephone: (02) 9020 4000

***Voting at a Meeting: the effect of Insolvency Practice Rules (Corporations) 75-85:**

Entitlement to vote at meetings of creditors

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:

- (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
- (b) estimate its value;
- (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.

(6) A person is covered by this subsection if:

- (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
- (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
- (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

Annexure F

**APPOINTMENT OF PROXY
 CREDITORS MEETING**

Indus Mining Services Pty Ltd (Formerly Indus Civil & Mining Pty Ltd) ACN 129 804 968
 (Administrators Appointed)

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Wednesday, 27 November 2019, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

Resolution	For	Against	Abstain
1. Per item 5 of the agenda, that either:			
(a) The Company should execute a Deed of Company Arrangement; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) The Administration should end; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) The Company should be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the actual remuneration of the Administrators in accordance with item 8 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the actual outsourced remuneration of the Administrators in accordance with item 9 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve the future remuneration of the Administrators in accordance with item 10 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To approve the future remuneration of the Administrators in accordance with item 11 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To approve the future remuneration of the Deed Administrators in accordance with item 12 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To approve the remuneration of the Liquidators in accordance with item 13 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To approve the future internal disbursements of the Administrators in accordance with item 14 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To approve the future internal disbursements of the Deed Administrators in accordance with item 15 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To approve the future internal disbursements of the Liquidator in accordance with item 16 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2019.

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.

**APPOINTMENT OF PROXY
 CREDITORS MEETING**

Indus Consolidated Pty Limited (Formerly Indus Holdco Ltd and Indus Consolidated Ltd)
 ACN 630 577 641 (Administrators Appointed)

*I/*We ⁽¹⁾	
Of	
being a creditor of the Company, appoint ⁽²⁾ or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Wednesday, 27 November 2019, or at any adjournment of that meeting.	

Please mark any boxes with an X

Proxy Type: General Special

Resolution	For	Against	Abstain
1. Per item 5 of the agenda, that either:			
(a) The Company should execute a Deed of Company Arrangement; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) The Administration should end; or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) The Company should be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the actual remuneration of the Administrators in accordance with item 17 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the future remuneration of the Administrators in accordance with item 18 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve the future remuneration of the Administrators in accordance with item 19 of the agenda.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To approve the future remuneration of the Deed Administrators in accordance with item 20 of the agenda.			
6. To approve the remuneration of the Liquidators in accordance with item 21 of the agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DATED this day of 2019.

 Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.

Annexure G

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

Indus Mining Services Pty Ltd (Formerly Indus Civil & Mining Pty Ltd) ACN 129 804 968
Indus Consolidated Pty Limited (Formerly Indus Holdco Ltd and Indus Consolidated Ltd) ACN 630 577 641
(All Administrators Appointed) (Collectively known as the "Indus Group")

Name of creditor:

Address of creditor:

.....

ABN:

Telephone number:

Indus Group Entity: Indus Mining Indus Consolidated

Amount of debt claimed: \$..... (including GST \$.....)

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....

.....

.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....

.....

.....

Other information:

.....

.....

.....
Signature of Creditor
(or person authorised by creditor)

.....
Dated

Notes:

Under the Insolvency Practice Rules (Corporations) (IPR) 75-85, a creditor is not entitled to vote at a meeting unless:

- a. his or her claim has been admitted, wholly or in part, by the Joint and Several Administrators; or
- b. he or she has lodged with the Joint and Several Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security (IPR 75-87).

Proxies must be made available to the Joint and Several Administrators.

Annexure H

ANNEXURE H – DETAILED DOCA ANALYSIS

Anticipated return to creditors

This annexure via the following tables compares the estimated outcome for creditors of each of the Indus Group entities in liquidation and under the proposed DOCA's.

As the DOCA has been proposed on an individual entity basis the Liquidation & DOCA analysis has been prepared for each entity.

Estimated comparison between liquidation and DOCA outcomes

Provided below is commentary regarding the key line items in the estimated return analysis.

Scenarios and outcomes

For the purposes of estimating the comparison between liquidation and DOCA outcomes, the following scenarios have been presented:

Liquidation scenarios

- **Pessimistic:** No funds available to pursue recovery actions such as preferences and insolvent trading claims, asset recoveries are lower and costs are higher than expected;
- **Optimistic-range:** No funds available to pursue recovery actions such as preferences and insolvent trading claims, asset recoveries and costs are on line with expectations; and
- **Litigation:** Funds available to pursue recovery actions such as preferences, warranty claims and insolvent trading claims, asset recoveries and costs are on line with expectations. Quantum of claims at this point are unclear.

DOCA scenarios

- **Pessimistic:** The Proposed DOCA is entered into but recoveries are lower and creditor claims are higher than expected; and
- **Optimistic:** The Proposed DOCA is entered into and the outcome is in line with our forecast.

Indus Mining Services P/L (Administrators Appointed) DOCA Outcome Comparison

Estimated Comparison between liquidation & DOCA outcomes		Indus Group - Indus Mining Services P/L				
Indus Group - Indus Mining Services P/L	Notes	Pessimistic scenario	Liquidation Optimistic scenario	Pessimistic + Litigation	DOCA Pessimistic scenario	DOCA Optimistic scenario
A\$'000						
Available Cash	1	2,418	2,418	2,418	-	-
Estimated asset recoveries						
Debtors	2	-	-	-	-	tba
Retentions	3	82	247	82	-	-
WIP	4	114	228	114	-	-
Inventory	5	417	834	417	-	-
Other Assets	6	-	78	-	-	-
Breach of Warranties Claim	7	<i>unknown</i>	<i>unknown</i>	<i>unknown</i>	-	-
Preference Payments Claims	7	-	<i>tbc</i>	<i>tbc</i>	-	-
Intercompany Loans	8	-	-	-	-	-
		613	1,386	613	-	-
DOCA Contribution						
Employee Entitlements	9				2,450	2,450
VA Costs	9				450	450
Legal Costs	9				100	100
Unsecured Creditors (Asset Proceeds)	9				<i>unknown</i>	<i>unknown</i>
Unsecured Creditors (Cash Contribution)	9				450	450
		-	-	-	3,450	3,450
Funds Available		3,031	3,804	3,031	3,450	3,450
Estimated Costs						
Voluntary Administrators Fees	10	(370)	(370)	(370)	(370)	(370)
Liquidation Costs	11	(80)	(80)	(80)	-	-
DOCA Costs	12	-	-	-	(80)	(80)
Legal Costs	13	(200)	(200)	(200)	(100)	(100)
Litigation Funding	14	-	-	<i>unknown</i>	-	-
		(650)	(650)	(650)	(550)	(550)
Funds Available for Employees		2,381	3,154	2,381	2,900	2,900
Employee Entitlements (Paid or Transferred)	15	(2,450)	(2,450)	(2,450)	(2,450)	(2,450)
Return to employees		0.97	1.00	0.97	1.00	1.00
Funds available to secured creditor (shortfall)		-	704	-	450	450
Secured Creditor Shortfall	16	(24,479)	(2,945)	(24,479)	-	-
Funds available to unsecured creditors		-	-	-	450	450
Unsecured creditor claims	17	(16,905)	(4,251)	(4,251)	(4,827)	(4,251)
Return to unsecured creditors		Nil	Nil	Nil	0.09	0.11

Indus Consolidated P/L (Administrators Appointed) DOCA Outcome Comparison

Estimated Comparison between liquidation & DOCA outcomes		Indus Group - Indus Consolidated P/L				
Indus Group - Indus Consolidated P/L	Notes	Liquidation			DOCA	
A\$'000		Pessimistic scenario	Optimistic scenario	Pessimistic + Litigation	Pessimistic scenario	Optimistic scenario
Available Cash	1	-	-	-	-	-
Estimated asset recoveries						
Breach of Warranties Claim	7	<i>unknown</i>	<i>unknown</i>	<i>unknown</i>	-	-
Preference Payments Claims	7	-	-	-	-	-
Intercompany Loans	8	-	-	-	-	-
		-	-	-	-	-
DOCA Contribution						
VA Costs	9				99	99
Legal Costs	9				-	-
Unsecured Creditors (Asset Proceeds)	9				-	-
Unsecured Creditors (Cash Contribution)	9				1	1
		-	-	-	100	100
		-	-	-	100	100
Estimated Costs						
Voluntary Administrators Fees	10	(80)	(80)	(80)	(79)	(79)
Liquidation Costs	11	(20)	(20)	(20)	-	-
DOCA Costs	12	-	-	-	(20)	(20)
Legal Costs	13	-	-	-	-	-
Litigation Funding	14	-	-	<i>unknown</i>	-	-
		(100)	(100)	(100)	(99)	(99)
Funds Available for Employees		(100)	(100)	(100)	1	1
Employee Entitlements (Paid or Transferred)	15	-	-	-	-	-
Return to employees		Nil	Nil	Nil	1.00	1.00
Funds available to secured creditor (shortfall)		-	-	-	1	1
Secured Creditor Shortfall	16	(24,479)	(2,945)	(24,479)	-	-
Funds available to unsecured creditors		-	-	-	1	1
Unsecured creditor claims	17	(10)	(10)	(10)	(10)	(10)
Return to unsecured creditors		Nil	Nil	Nil	0.11	0.11

Key assumptions

Set out below are the key assumptions underlying our analysis, as referenced by each note. Assumptions apply to both IMS and IMC.

No	Area	Liquidation	DOCA
1	Cash	<ul style="list-style-type: none"> Represents funds in bank accounts controlled by the Administrators at the date of appointment. 	<ul style="list-style-type: none"> Nil cash is available
2	Trade Debtors	<ul style="list-style-type: none"> Nil, Debtors are subject to the fixed charge security under the Syndicated Loan Note Subscription Agreement 	<ul style="list-style-type: none"> Nil, Debtors are subject to the fixed charge security under the Syndicated Loan Note Subscription Agreement.
3	Retentions	<ul style="list-style-type: none"> A pessimistic/ optimistic recovery range of 20 to 60 c/\$. 	<ul style="list-style-type: none"> Nil, acquired by the DOCA proponent.
4	WIP	<ul style="list-style-type: none"> A pessimistic/ optimistic recovery range of 40 c/\$ and 60 c/\$ given status of projects at appointment and that work ceases immediately on all projects. 	<ul style="list-style-type: none"> Nil, acquired by the DOCA proponent.
5	Inventory	<ul style="list-style-type: none"> Pessimistic/ optimistic recovery range of 40 c/\$ and 60 c/\$ reflecting geographically disperse locations of inventories held. 	<ul style="list-style-type: none"> Nil, acquired by the DOCA proponent.
6	Other Assets	<ul style="list-style-type: none"> Reflects prepayments with an optimistic case recovery of 20 c/\$. 	<ul style="list-style-type: none"> Nil, acquired by the DOCA proponent.
7	Potential Claims	<ul style="list-style-type: none"> Breach of Warranty Allegations for breach of warranties claims against JJM totalling c\$21m have been asserted. Significant work is required to assess the value of the claim and it is valued as unknown. Preferences: The Administrators have identified potential preferences of c. \$100k which may be recoverable in liquidation. In liquidation, funding would be required to pursue these claims. 	<ul style="list-style-type: none"> Breach of Warranty Claim Nil, acquired by the DOCA proponent Preference Payment Claim: N/A
8	Intercompany Loans	<ul style="list-style-type: none"> Reflect loans between IMS and IMC. 	<ul style="list-style-type: none"> Nil, acquired by the DOCA proponent.
9	DOCA Contribution	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> Employee Entitlement: \$2.4m, 100 c/\$. Initial Consideration: \$0.75m. Deferred Consideration: \$0.25m. Residual Assets: Any surplus from the sale of residual assets will be available to unsecured creditors.
10	VA Fees	<ul style="list-style-type: none"> Estimated cost to the 2nd Creditors Meeting. 	<ul style="list-style-type: none"> Estimated cost to the 2nd Creditors Meeting.
11	Liquidation	<ul style="list-style-type: none"> Estimated cost of Liquidation 	<ul style="list-style-type: none"> n/a
12	DOCA	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> Estimated implementation cost.

13	Legal Costs	<ul style="list-style-type: none"> The estimated Legal Costs 	<ul style="list-style-type: none"> The estimated Legal Costs.
14	Litigation Funding	<ul style="list-style-type: none"> Unknown. 	<ul style="list-style-type: none"> n/a
15	Employee Entitlements	<ul style="list-style-type: none"> Claims represent amounts owing to employees (and are payable in priority to distributions to unsecured creditors). 	<ul style="list-style-type: none"> Claims represent amounts owing to employees (and are payable in priority to distributions to unsecured creditors).
16	Secured Creditor Shortfall	<ul style="list-style-type: none"> Reflects forecast shortfall from realisation of fixed charge assets which include Plant, Equipment and Debtors. Refer below for further detail. 	<ul style="list-style-type: none"> Do not participate in any dividends.
17	Unsecured Creditors	<ul style="list-style-type: none"> Represent estimated amounts owing to unsecured creditors with claims against the Indus Group, which includes the Vendor Loan @ \$1. 	<ul style="list-style-type: none"> Represent estimated amounts owing to unsecured creditors with claims against the Indus Group, which includes the Vendor Loan @ \$1. The difference to liquidation is the exclusion of Inter-company loan claim as related-party creditors will not participate in any dividend from the Deed Fund. The estimated value is \$12m.

No	Area	Secured Creditor Position																																												
1	Secured Creditor Shortfall	<p>The secured creditor position is set out below detailing the expected Low/High positions and associated shortfalls and assumptions employed.</p> <table border="1"> <thead> <tr> <th colspan="4">Indus Group - Indus Mining Services P/L & Indus Consolidated Ltd (Administrators Appointed)</th> </tr> <tr> <th>Secured Creditor Position</th> <th>Book Value Sept 19</th> <th>Low \$'000</th> <th>High \$'000</th> </tr> </thead> <tbody> <tr> <td>Plant & Equipment</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Asset Values</td> <td>57,810</td> <td>21,032</td> <td>42,064</td> </tr> <tr> <td>Less: Term Debt</td> <td>(36,513)</td> <td>(36,513)</td> <td>(36,513)</td> </tr> <tr> <td></td> <td>21,296</td> <td>(15,482)</td> <td>5,550</td> </tr> <tr> <td>Debtors</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Asset Values</td> <td>1,673</td> <td>1,004</td> <td>1,506</td> </tr> <tr> <td>Less: Working Capital Facility</td> <td>(10,001)</td> <td>(10,001)</td> <td>(10,001)</td> </tr> <tr> <td></td> <td>(8,328)</td> <td>(8,997)</td> <td>(8,496)</td> </tr> <tr> <td>Net Position</td> <td>12,968</td> <td>(24,479)</td> <td>(2,945)</td> </tr> </tbody> </table> <p>Plant & Equipment</p> <ul style="list-style-type: none"> The optimistic / pessimistic values are based on the orderly liquidation (OLV) values included in the latest available independent valuations, adjusted on a pro-rata basis to reflect assets sold in 2019 (circa 23% on value based on December 2018 balance); with Pessimistic reflects 50% of adjusted OLV, whilst Optimistic reflects adjusted OLV. <p>Debtors</p> <ul style="list-style-type: none"> Pessimistic reflects pre appointment debtors collected to date, whilst Optimistic reflects collecting 90% of the pre appointment debtor balance. <p>Secured Debt</p> <ul style="list-style-type: none"> Reflects the Secured debt at the appointment of the Voluntary Administrator. 	Indus Group - Indus Mining Services P/L & Indus Consolidated Ltd (Administrators Appointed)				Secured Creditor Position	Book Value Sept 19	Low \$'000	High \$'000	Plant & Equipment				Asset Values	57,810	21,032	42,064	Less: Term Debt	(36,513)	(36,513)	(36,513)		21,296	(15,482)	5,550	Debtors				Asset Values	1,673	1,004	1,506	Less: Working Capital Facility	(10,001)	(10,001)	(10,001)		(8,328)	(8,997)	(8,496)	Net Position	12,968	(24,479)	(2,945)
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Annexure I

Proposal for Deed of Company Arrangement (DOCA) – Indus Mining Services Pty Ltd (Administrators Appointed) ACN 129 804 968

Nothing in this proposal is intended to create any binding legal obligations and this document remains subject to change.

Matter	Term
1 DOCA Company	Indus Mining Services Pty Ltd (Administrators Appointed) ACN 129 804 968.
2 Deed Administrators	Todd Andrew Gammel and Barry Anthony Taylor of HLB Mann Judd, Level 19, 207 Kent Street, Sydney NSW 2000 in their capacity as joint and several deed administrators of the DOCA Company.
3 Proponent	NewCo 1. ¹
4 Purpose of DOCA	<ol style="list-style-type: none">To enable Participating Creditors of the DOCA Company to receive a better return than they would in a winding-up; andTo allow the Continuing Employees to continue their employment and preserve their entitlements.
5 DOCA Contribution	<p>The DOCA Contribution will consist of:</p> <ol style="list-style-type: none">\$750,000 for payment of Administrator and Deed Administrators' fees and costs, with the balance available to unsecured creditors (Initial Contribution);Non-Continuing Employee Contribution;Deferred Contribution; andproceeds from the sale of Available Property. <p>Within 3 Business Days of the Effective Date the Proponent will transfer the Initial Contribution to an account nominated, in writing, by the Deed Administrators.</p>

¹ NewCo 1, NewCo 2 and NewCo 3 will be incorporated prior to the DOCA being entered into.

Matter	Term
	<p>Subject to the Effective Date having occurred, the Proponent will transfer the Non-Continuing Employee Contribution to an account nominated, in writing, by the Deed Administrators within 5 Business Days of receiving written notice from the Deed Administrator confirming the amount of entitlements of the Non-Continuing Employee Creditors.</p> <p>Subject to the Effective Date having occurred, the Proponent will transfer the Deferred Contribution, or such other amount agreed in writing by the Proponent and the Deed Administrators, to an account nominated, in writing, by the Deed Administrators on 30 June 2020.</p>
6	Commencement
7	<p>The date of the DOCA.</p> <p>The Proponent has received in form and substance satisfactory to it:</p> <ol style="list-style-type: none"> a. evidence that a meeting of Creditors of the DOCA Company have voted to approve the terms of the DOCA; b. evidence that a meeting of the creditors of Consolidated have voted to approve the terms of the Consolidated DOCA; c. evidence the employee entitlements of Continuing Employees have been transferred to NewCo 2; d. evidence that arrangements have been made to facilitate the orderly sale of the Run-off P&E; and e. the Sale Agreement duly executed and delivered; f. evidence the conditions precedent under the Sale Agreement have been satisfied or waived. <p>The conditions precedent are for the benefit of the Proponent and may be waived by the Proponent in writing to the Deed Administrator.</p>
8	<p>Parties bound</p> <ol style="list-style-type: none"> a. The DOCA Company; b. Deed Administrators; c. Proponent; d. Participating Creditors; e. Directors.
9	<p>Claims</p> <ol style="list-style-type: none"> a. In return for a claim against the DOCA Fund (defined below) each Participating Creditor of DOCA Company agrees to release the DOCA Company in accordance with the terms of the DOCA.

Matter	Term
	<ul style="list-style-type: none"> b. Each Participating Creditor accepts their right to prove in respect of the DOCA Fund in full satisfaction and complete discharge of all Claims which they have or claim to have against the DOCA Company c. Each Participating Creditor will be entitled to submit a proof of debt and prove against the DOCA Fund.
10 DOCA Fund	The DOCA Fund will consist of the DOCA Contribution and any residual contribution received as a distribution to the DOCA Company under the Consolidated DOCA. No other property of the DOCA Company will be included as part of the DOCA Fund.
11 Distribution of DOCA Fund	<p>The Deed Administrators shall distribute the proceeds of the DOCA Fund in the following order of priority:</p> <ul style="list-style-type: none"> a. First, in payment of the Deed Administrators' Remuneration and Costs as approved by creditors but no more than \$550,000.00; b. Secondly, in payment in full of any admitted claims of Non-Continuing Employee Creditors; c. Thirdly, in payment of admitted claims that would, in a liquidation, be accorded a priority under section 556 and section 560 of the Corporations Act; d. Fourthly, Unsecured Creditors pari passu.
12 Claims extinguished	Participating Creditors of the DOCA Company release their Claims against the DOCA Company on receipt of entitlements under the DOCA.
13 Other Releases	<p>On the execution of the DOCA:</p> <ul style="list-style-type: none"> a. the DOCA Company will forever release and discharge all claims against its past and current officers and directors in respect of any claims arising up until the Appointment Date, save for any such claims arising under the DOCA; and b. the DOCA Company will forever release and discharge all claims, including any right of subrogation or contribution, against Consolidated.
14 Bar to Creditor participation	Only Participating Creditors may participate in and receive a distribution from the DOCA Fund.

Matter	Term
	A Creditor that does not submit a proof of debt in accordance with the DOCA is barred from participating in the DOCA and will be deemed to have abandoned their Claim if they have not submitted a proof of debt in respect of its Claims by the time the Deed Administrator makes the final distribution.
15 Effectuation of the DOCA	<p>The DOCA will effectuate on the date the final distribution from the DOCA Fund is made.</p> <p>The Deed Administrators will retire within 2 Business Days of the Effectuation Date.</p>
16 Control of the DOCA Company	Control of the DOCA Company will return to the current Directors on the Effective Date for the purpose of managing the sale of the Run-off P&E with all proceeds of such sale to paid as directed by the Deed Administrators.
17 Termination of the DOCA	<p>The DOCA will terminate upon the earlier of:</p> <ol style="list-style-type: none"> a. the date of the passing of a resolution at a meeting of Creditors convened pursuant to section 445C of the Corporations Act terminating the DOCA; and b. the date the Court orders the DOCA be set aside or terminated.
18 Provisions incorporated	<p>The following statutory provisions will be incorporated by reference into the DOCA:</p> <ol style="list-style-type: none"> a. The provisions prescribed by section 444A(5) of the Corporations Act and as contained in Schedule 8A of the Corporations Regulations. b. Sections 444DA and 444DB of the Corporations Act. c. Division 75 of the Insolvency Practice Schedule (Corporations) and Division 75 of the Insolvency Practice Rules (Corporations) 2016 apply to the DOCA, with such modifications as are necessary, to meetings of Creditors held pursuant to the DOCA.
19 Deed Administrators	<p>The Deed Administrators will be entitled to exercise:</p> <ol style="list-style-type: none"> a. all the rights, powers, discretions and authorities that are conferred by the constitution of the DOCA Company or otherwise by law on the Directors of the DOCA Company, to the exclusion of its Directors; b. all of the powers set out in paragraph 2 of Schedule 8A of the Regulations;

Matter	Term
	<ul style="list-style-type: none"> c. all the powers of a voluntary administrator appointed under section 436A of the Corporations Act; and d. such further powers as are necessary or convenient to achieve the DOCA purpose and objects, including the power to establish and administer the DOCA Fund.
<p>20 Adjudication of Claims</p>	<ul style="list-style-type: none"> a. For the purpose of the Creditors seeking to formally prove their claim, section 560 of the Corporations Act, Subdivisions A, B, C and E of Division 6 of Part 5.6 of the Corporations Act and regulations 5.6.39 to 5.6.57 (other than 5.6.53) of the Corporations Regulations apply, with such modifications as may be necessary, to claim as if references to the "liquidator" were references to the Deed Administrators, references to "winding up" were references to administration under the DOCA and references to the "relevant date" were references to 23 October 2019. b. The Deed Administrators will commence the adjudication process for formal proofs of debt or claim as soon as reasonably practicable and, in doing so, may have regard to sections 554A, 554B and 554C of the Corporations Act and to regulations 5.6.41 to 5.6.57 (other than 5.6.53) of the Regulations as if references to "the liquidators" were references to the Deed Administrators. c. Each Creditor's claim must be calculated by reference to the face value of the debt owed to that Creditor, and each Claim may only be proved once.
<p>21 Moratorium</p>	<p>A moratorium upon actions against the DOCA Company as outlined in section 444E of the Corporations Act is proposed to apply during the period of the DOCA, and includes a moratorium on any Creditor seeking to rely on.</p>
<p>22 Bar to Claims</p>	<p>The DOCA may be pleaded and tendered by the DOCA Company and the recipient of any release or covenant granted under or pursuant to the DOCA as a total bar and defence to any legal proceeding brought at any time.</p>
<p>23 Insurance Claims</p>	<p>The DOCA will allow Creditors to obtain the same relief to which they would be entitled under section 562 of the</p>

Matter	Term
	Corporations Act if the DOCA Company was being wound up.
24 Records	The DOCA Company will be responsible for the management and maintenance of the books and records of the DOCA Company. The DOCA Company will manage and maintain the books and records of the DOCA Company in accordance with their statutory obligations. The Deed Administrators shall be entitled to access the records of the DOCA Company until the DOCA has terminated.
25 DOCA to supersede	The terms of the DOCA will supersede this proposal.

Schedule 1

Definitions

Administrators	Todd Andrew Gammel and Barry Anthony Taylor of HLB Mann Judd in their joint and several capacity as administrators of the DOCA Company.
Appointment Date	The date on which the Administrators were appointed as voluntary administrators of the DOCA Company, being 23 October 2019.
Available Property	<ol style="list-style-type: none">The Run-off P&E;any residual contribution received as a distribution to the DOCA Company under the Consolidated DOCA andthe property of the DOCA Company that is not secured.
Business Day	A day, not being a Saturday or a Sunday, on which banks are open for business in Sydney, NSW.
Claim	All debts payable by, and all claims against, the DOCA Company, whether present or future, certain or contingent, ascertained or sounding only in damages, being debts or claims the circumstances giving rise to which occurred on or before the date the Administrators were appointed and whether or not they would be admissible to prove in the event of winding up of the DOCA Company.
Consolidated	Indus Consolidated Pty Ltd (Administrators Appointed) ACN 630 577 641.
Consolidated DOCA	A deed of company arrangement entered into between, among others, Todd Andrew Gammel and Barry Anthony Taylor of HLB Mann Judd in their joint and several capacity as administrators of Consolidated and the Proponent.
Continuing Employees	Creditor Employees whose employment will be transferred to NewCo 2.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	The <i>Corporations Regulations 2001</i> (Cth).

Creditors	Each person with a Claim.
Deed Administrators' Remuneration and Costs	The costs, expenses and remuneration of the Administrators and Deed Administrators in connection with the administration of the DOCA Company and the DOCA.
Deferred Contribution	An amount of \$250,000.00, or such other amount agreed in writing by the Proponent and the Deed Administrators.
Directors	The directors and secretaries appointed to the DOCA Company from time to time.
Effective Date	The date on which the Proponent gives written notice to the Deed Administrators that the conditions precedent have been satisfied or waived.
Effectuation Date	The date on which the DOCA effectuates.
Employee Creditors	A Creditor with a Claim as an employee pursuant to section 556 (1)(c),(e)-(h) of the Corporations Act.
Employee entitlements	All amounts payable to eligible employee creditors of the DOCA Company in priority to ordinary unsecured creditors pursuant to Part 5.6, Division 6, Subdivision D of the Corporations Act.
New Finance Documents	Finance documents, including without limitation a loan and security agreements granted by, among others, NewCo 1, NewCo 2 and NewCo 3 and with an approved purpose to provide finance to pay the purchase price under the Sale Agreement and the DOCA Contribution.
Non-Continuing Employee Creditor	An Employee Creditor whose employment is terminated on or before the Effective Date.
Non-Continuing Employee Contribution	An amount equal to the entitlements of Non-Continuing Employees, confirmed in writing by the Deed Administrators to the Proponent. For the purposes of this proposal, expected to be approximately \$1,200,000.00.
Participating Creditor	<ul style="list-style-type: none"> a. Non-Continuing Employees; b. Unsecured Creditors.
Run-off P&E	Plant and equipment of the DOCA Company that is not sold subject to the Sale Agreement.
Sale Agreement	A sale and purchase agreement between NewCo 3 and Services in respect of certain of the assets of the DOCA Company, including without limitation, certain of the plant and

equipment, contracts and debtors of the DOCA Company and with a sale price of not more than \$20 million.

Unsecured Creditor

Creditor of the DOCA Company, other than an Employee Creditor, whose Claim is not secured by a security interest.

Proposal for Deed of Company Arrangement (DOCA) – Indus Consolidated Pty Ltd (Administrators Appointed) ACN 630 577 641

Nothing in this proposal is intended to create any binding legal obligations and this document remains subject to change.

Matter	Term
1 DOCA Company	Indus Consolidated Pty Ltd (Administrators Appointed) ACN 630 577 641.
2 Deed Administrators	Todd Andrew Gammel and Barry Anthony Taylor of HLB Mann Judd, Level 19, 207 Kent Street, Sydney NSW 2000 in their capacity as joint and several deed administrators of the DOCA Company.
3 Proponent	NewCo 1. ¹
4 Purpose of DOCA	To enable Participating Creditors of the DOCA Company to receive a better return than they would in a winding-up.
5 DOCA Contribution	<p>The DOCA Contribution will consist of:</p> <ul style="list-style-type: none">a. \$100,000.00 for payment of Administrator and Deed Administrators' fees and costs, with the balance available to unsecured creditors; andb. Available Property. <p>Within 3 Business Days of the Effective Date the Proponent will transfer the DOCA Contribution to an account nominated, in writing, by the Deed Administrators.</p>
6 Commencement	The date of the DOCA.
7 Conditions Precedent	The Proponent has received in form and substance satisfactory to it:

¹ NewCo 1, NewCo 2 and NewCo 3 will be incorporated prior to the DOCA being entered into.

Matter	Term
	<ul style="list-style-type: none"> a. evidence that a meeting of Creditors of the DOCA Company have voted to approve the terms of the DOCA; b. evidence that a meeting of the creditors of Services have voted to approve the terms of the Services DOCA; and c. evidence the conditions precedent under the Services DOCA have been satisfied or waived. <p>The conditions precedent are for the benefit of the Proponent and may be waived by the Proponent in writing to the Deed Administrator.</p>
8	<p>Parties bound</p> <ul style="list-style-type: none"> a. The DOCA Company; b. Deed Administrators; c. Proponent; d. Participating Creditors; e. Directors and Shareholders.
9	<p>Claims</p> <ul style="list-style-type: none"> a. In return for a claim against the DOCA Fund (defined below) each Participating Creditor of DOCA Company agrees to release the DOCA Company in accordance with the terms of the DOCA. b. Each Participating Creditor accepts their right to prove in respect of the DOCA Fund in full satisfaction and complete discharge of all Claims which they have or claim to have against the DOCA Company c. Each Participating Creditor will be entitled to submit a proof of debt and prove against the DOCA Fund.
10	<p>DOCA Fund</p> <p>The DOCA Fund will consist of the DOCA Contribution and no other property of the DOCA Company.</p>
11	<p>Distribution of DOCA Fund</p> <p>The Deed Administrators shall distribute the proceeds of the DOCA Fund in the following order of priority:</p> <ul style="list-style-type: none"> a. First, in payment of the Deed Administrators' Remuneration and Costs as approved by creditors; b. Secondly, in payment of admitted claims that would, in a liquidation, be accorded a priority under section 556 and section 560 of the Corporations Act; and c. Thirdly, Unsecured Creditors on a pari passu basis; and

Matter	Term
	d. Fourthly, Services to be included in the DOCA Fund.
12 Claims extinguished	Participating Creditors of the DOCA Company release their Claims against the DOCA Company on receipt of entitlements under the DOCA.
13 Employee entitlements	No Creditors are employees of Consolidated. As such, no provision for employee entitlements. Employee entitlements are provided for under the Services DOCA.
14 Other Releases	<p>On the execution of the DOCA:</p> <ul style="list-style-type: none"> a. the DOCA Company will forever release and discharge all claims against its officers and directors in respect of any claims arising up until the Appointment Date, save for any such claims arising under the DOCA; and b. the DOCA Company will forever release and discharge all claims, including any right of subrogation or contribution, against Services.
15 Bar to Creditor participation	<p>Only Participating Creditors may participate in and receive a distribution from the DOCA Fund.</p> <p>A Creditor that does not submit a proof of debt in accordance with the DOCA is barred from participating in the DOCA and will be deemed to have abandoned their Claim if they have not submitted a proof of debt in respect of its Claims by the time the Deed Administrator makes the final distribution.</p>
16 Effectuation of the DOCA	<p>The DOCA will effectuate on the date the final distribution from the DOCA Fund is made.</p> <p>The Deed Administrators will retire within 2 Business Days of the Effectuation Date.</p>
17 Control of the DOCA Company	Control of the DOCA Company will remain with the Deed Administrators until the Effectuation Date.
18 Termination of the DOCA	<p>The DOCA will terminate upon the earlier of:</p> <ul style="list-style-type: none"> a. the date of the passing of a resolution at a meeting of Creditors convened pursuant to section 445C of the Corporations Act terminating the DOCA; and b. the date the Court orders the DOCA be set aside or terminated.

Matter	Term
19 Provisions incorporated	<p>The following statutory provisions will be incorporated by reference into the DOCA:</p> <ul style="list-style-type: none"> a. The provisions prescribed by section 444A(5) of the Corporations Act and as contained in Schedule 8A of the Corporations Regulations. b. Sections 444DA and 444DB of the Corporations Act. c. Division 75 of the Insolvency Practice Schedule (Corporations) and Division 75 of the Insolvency Practice Rules (Corporations) 2016 apply to the DOCA, with such modifications as are necessary, to meetings of Creditors held pursuant to the DOCA.
20 Deed Administrators	<p>The Deed Administrators will be entitled to exercise:</p> <ul style="list-style-type: none"> a. all the rights, powers, discretions and authorities that are conferred by the constitution of the DOCA Company or otherwise by law on the Directors of the DOCA Company, to the exclusion of its Directors; b. all of the powers set out in paragraph 2 of Schedule 8A of the Regulations; c. all the powers of a voluntary administrator appointed under section 436A of the Corporations Act; and d. such further powers as are necessary or convenient to achieve the DOCA purpose and objects, including the power to establish and administer the DOCA Fund.
21 Adjudication of Claims	<ul style="list-style-type: none"> a. For the purpose of the Creditors seeking to formally prove their claim, section 560 of the Corporations Act, Subdivisions A, B, C and E of Division 6 of Part 5.6 of the Corporations Act and regulations 5.6.39 to 5.6.57 (other than 5.6.53) of the Corporations Regulations apply, with such modifications as may be necessary, to claim as if references to the "liquidator" were references to the Deed Administrators, references to "winding up" were references to administration under the DOCA and references to the "relevant date" were references to 23 October 2019. b. The Deed Administrators will commence the adjudication process for formal proofs of debt or claim as soon as reasonably practicable and, in doing so, may have regard to sections 554A, 554B

Matter	Term
	<p>and 554C of the Corporations Act and to regulations 5.6.41 to 5.6.57 (other than 5.6.53) of the Regulations as if references to "the liquidators" were references to the Deed Administrators.</p> <p>c. Each Creditor's claim must be calculated by reference to the face value of the debt owed to that Creditor, and each Claim may only be proved once.</p>
22 Moratorium	A moratorium upon actions against the DOCA Company as outlined in section 444E of the Corporations Act is proposed to apply during the period of the DOCA, and includes a moratorium on any Creditor seeking to rely on.
23 Bar to Claims	The DOCA may be pleaded and tendered by the DOCA Company and the recipient of any release or covenant granted under or pursuant to the DOCA as a total bar and defence to any legal proceeding brought at any time.
24 Insurance Claims	The DOCA will allow Creditors to obtain the same relief to which they would be entitled under section 562 of the Corporations Act if the DOCA Company was being wound up.
25 Records	The DOCA Company will be responsible for the management and maintenance of the books and records of the DOCA Company. The DOCA Company will manage and maintain the books and records of the DOCA Company in accordance with their statutory obligations. The Deed Administrators shall be entitled to access the records of the DOCA Company until the DOCA has terminated.
26 DOCA to supersede	The terms of the DOCA will supersede this proposal.

Schedule 1

Definitions

Administrators	Todd Andrew Gammel and Barry Anthony Taylor of HLB Mann Judd in their joint and several capacity as administrators of the DOCA Company.
Appointment Date	The date on which the Administrators were appointed as voluntary administrators of the DOCA Company, being 23 October 2019.
Available Property	The property of the DOCA Company that is not secured.
Business Day	A day, not being a Saturday or a Sunday, on which banks are open for business in Sydney, NSW.
Claim	All debts payable by, and all claims against, the DOCA Company, whether present or future, certain or contingent, ascertained or sounding only in damages, being debts or claims the circumstances giving rise to which occurred on or before the date the Administrators were appointed and whether or not they would be admissible to prove in the event of winding up of the DOCA Company.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	The <i>Corporations Regulations 2001</i> (Cth).
Creditors	Each person with a Claim.
Deed Administrators' Remuneration and Costs	The costs, expenses and remuneration of the Administrators and Deed Administrators in connection with the administration of the DOCA Company and the DOCA.
Directors	The directors and secretaries appointed to the DOCA Company from time to time.
Effective Date	The date on which the Proponent gives written notice to the Deed Administrators that the conditions precedent have been satisfied or waived.
Effectuation Date	The date on which the DOCA effectuates.
Participating Creditor	Unsecured Creditors.

Services	Indus Mining Services Pty Ltd (Administrators Appointed) ACN 129 804 968.
Services DOCA	A deed of company arrangement entered into between, among others, Todd Andrew Gammel and Barry Anthony Taylor of HLB Mann Judd in their joint and several capacity as administrators of Services and the Proponent.
Shareholder	A person owning issued share capital of the DOCA Company.
Unsecured Creditor	Creditor of the DOCA Company whose Claim is not secured by a security interest.
